

AGN. NO. \_\_\_\_\_

MOTION BY SUPERVISOR DON KNABE

December 11, 2012

Since 1963, the City of Rolling Hills Estates (City) has developed, operated, and maintained a municipal equestrian center known as the Peter Weber Equestrian Center (Equestrian Center) on approximately six acres of land located within the Palos Verdes Landfill under various permit agreements with the County of Los Angeles (County) and County Sanitation District No. 2 of Los Angeles County (District). The Equestrian Center is situated on one parcel of land owned by the District and one adjoining parcel owned by the County. The Palos Verdes Landfill is owned, operated and maintained under a Joint Powers Agreement between the County and District dated February 11, 1986, and December 23, 1998. Landfill Operations closed on December 31, 1980. The City has received \$1,080,000 in grants from the Los Angeles County Regional Park and Open Space District under the Los Angeles County Proposition A, Safe Neighborhoods Parks Act, for the purpose of refurbishing and remodeling existing improvements and for constructing new improvements at the Equestrian Center. The

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majority of the project will involve replacement of 30 existing corrals with a new 36-stall barn; the construction of a new restroom; minor improvements consisting of a new covered area for feed, manure and shavings; unimproved vehicular access for the District and installation of water quality/drainage improvements across the entire site. The project will also require use of an additional 1.52 acres of land for a total of 7.12 acres to accommodate the proposed improvements.

In recognition of the substantial investment of Proposition A Grant funds and to comply with Proposition Grant regulations the City seeks a long-term lease for continued operation of the Equestrian Center.

**I, THEREFORE, MOVE THAT THE BOARD:**

1. Find that the County owned portion of land consisting of 2.64 acres to be used for an Equestrian Center is not needed for County purposes during the time of proposed use as authorized by Government Code 26227;
2. Find that the proposed services and improvements provided by the City for an Equestrian Center will serve a public purpose to the local community which will benefit the County and its residents;
3. Certify that the County, as a responsible agency under the California Environmental Quality Act (CEQA), has considered the Environmental effects of the proposed Equestrian Center project and the Mitigated Negative Declaration adopted by the City on February 28, 2012

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as lead agency; determined that the lead agency's environmental study and review adequately addressed the environmental impacts for the proposed project and that the responsible agency has no additional recommendations as to the Mitigated Negative Declaration; and find that the County has complied with the requirements of CEQA with respect to the process for a responsible agency and adopt by reference the City's Mitigated Negative Declaration.

4. Authorize the Chief Executive Officer or his designee to negotiate and prepare a 30-year gratis lease agreement with the City of Rolling Estates as Lessee and the County of Los Angeles and Sanitation District No. 2 of Los Angeles County as land owners and instruct the Chairman to sign the lease upon presentation to the Board's Executive Office.
5. The Lease will be contingent upon the City funding all related costs associated with the Equestrian Center for maintenance, utilities and insurance during the lease term.

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**GROUND LEASE AGREEMENT FOR  
PETER WEBER EQUESTRIAN CENTER  
26401 CRENSHAW BOULEVARD, ROLLING HILLS ESTATES**

77903



## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
BACKGROUND .....	1
1. LEASE OF PREMISES .....	2
2. TERM AND RENT .....	3
2.1 Term .....	3
2.2 Rent .....	3
2.3 Termination .....	3
3. USES .....	4
3.1 Permitted Uses .....	4
3.2 Prohibited Uses .....	4
4. CONDITION OF PREMISES .....	4
5. TENANT'S COVENANTS .....	5
5.1 No Discrimination .....	5
5.2 No Interference with Owners .....	5
5.3 Construction and Operation of Project .....	5
5.4 Tenant to Pay All Project Costs .....	5
5.5 Development Documents .....	5
5.6 Parking Spaces .....	6
6. COMPLIANCE WITH LAWS .....	6
6.1 Compliance with Laws .....	6
6.2 Indemnity .....	6
6.3 Right to Contest Laws .....	6
7. TAXES AND ASSESSMENTS .....	7
7.1 Payment of Taxes .....	7

7.2	Indemnity.....	7
7.3	Tenant's Right to Contest Taxes .....	7
7.4	Proration of Taxes .....	8
8.	UTILITIES .....	8
9.	CONSTRUCTION .....	9
9.1	Construction of Improvements .....	9
9.2	Construction Standards.....	11
9.3	Approval of Plans .....	12
10.	OWNERSHIP OF IMPROVEMENTS AND REMOVAL OF PERSONAL PROPERTY .....	14
10.1	Ownership of Improvements .....	14
10.2	Personal Property Removal and Ownership at Termination.....	15
10.3	Owners' Waiver .....	15
11.	MAINTENANCE OF PROJECT .....	16
11.1	No Duty of Owners to Maintain .....	16
11.2	Tenant's Duty to Maintain Premises.....	16
11.3	Trash, Dust, Odors, and Pests .....	16
11.4	Adequate Drainage – No Ponding.....	16
11.5	Environmental Control Systems .....	16
11.6	Altering Landfill Cover .....	16
11.7	Owner's Right of Access .....	17
11.8	Roadways .....	17
12.	NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY.....	17
13.	LIENS .....	17
13.1	General .....	17

13.2	Protection of Owners.....	18
13.3	Mechanics' and Other Liens.....	18
13.5	Notice.....	19
14.	INDEMNIFICATION AND INSURANCE .....	19
14.1	No Agency, Partnership, or Joint Venture .....	19
14.2	Indemnification.....	19
14.3	Insurance .....	20
14.4	Failure to Procure Insurance.....	23
14.5	Repair and Restoration .....	23
15.	HAZARDOUS SUBSTANCES .....	25
15.1	Definition .....	25
15.2	Hazardous Substances Prohibited .....	26
15.3	Notice.....	26
15.4	Indemnities.....	26
16.	DEFAULT .....	26
16.1	Conditions of Default.....	26
16.2	Remedies.....	27
16.3	Equitable Relief .....	28
16.4	Cumulative Remedies .....	29
16.5	Cumulative Rights .....	29
17.	WAIVER OF CONDITIONS OR COVENANTS.....	29
18.	EMINENT DOMAIN .....	29
19.	ASSIGNMENT/SUBLETTING.....	30
20.	GENERAL PROVISIONS .....	30
20.1	Waiver.....	30

20.2	Headings .....	30
20.3	Time .....	30
20.4	Recordation .....	30
20.5	Binding on Successors .....	30
20.6	Prior Agreements .....	30
20.7	Unavoidable Delay .....	31
20.8	Signage .....	31
20.9	Severability .....	31
20.10	Cumulative Remedies .....	31
20.11	Choice of Law .....	31
20.12	Arbitration .....	31
20.13	Prevailing Wages .....	32
20.14	Interpretation .....	32
21.	AUTHORITY TO BIND THE PARTIES .....	32
22.	ADMINISTRATION .....	32
23.	COUNTY'S LOBBYISTS .....	32
24.	NOTICES .....	33



County Agreement No. 77903  
CSD Contract No. 4734

GROUND LEASE AGREEMENT FOR  
PETER WEBER EQUESTRIAN CENTER

This Ground Lease Agreement ("**Lease**") is dated December 11, 2012 ("Effective Date") and is between the COUNTY OF LOS ANGELES, a body corporate and politic ("**County**"), COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, a county sanitation district organized and existing under the provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* ("**District**") (together the County and the District are referred to as the ("**Owners**"), and the CITY OF ROLLING HILLS ESTATES, a municipal corporation ("**Tenant**") (collectively, the County, the District, and the Tenant are referred to as the "**parties**" or individually each a "**party**").

BACKGROUND

A. The Owners separately own several parcels of land that comprise a closed landfill known as the Palos Verdes Landfill ("**Landfill**"). The County owns a parcel known as Parcel 2, and the District owns parcels known as Parcels 3, 5 and 6.

B. The Palos Verdes Landfill is owned, operated, and maintained under a Joint Powers Agreement between County and District, dated February 11, 1986, as amended December 23, 1998 and November 25, 2008 ("**Joint Powers Agreement**"). That agreement provides that the County will accept and use the Landfill only for parks and recreation purposes, and that the District will provide post-closure operation and maintenance of the Landfill, including performing all regulatory compliance.

C. The District operates and maintains various environmental control systems throughout the Landfill, including landfill cover, storm water drainage facilities, water quality monitoring systems, landfill gas (methane) collection, and conveyance and monitoring facilities (collectively, the "**Environmental Control Systems**"). Portions of the Environmental Control Systems are below ground.

D. Under the Joint Powers Agreement, the County may construct or contract for the construction of any improvement on the Landfill and conduct or permit any activity on the Landfill. However, any such improvements or activities may not be made or conducted until the District determines that they will not compromise the Environmental Control Systems, and will not otherwise hinder or harm any other activities taken by the District at the Landfill.

E. Since 1963, Tenant has developed, operated, and maintained a municipal equestrian center, commonly known as the Peter Weber Equestrian Center

("Equestrian Center"), on the Landfill under the terms of various permit agreements with the Owners. In December 2011, Tenant contracted the services of a concessionaire to operate the Equestrian Center for Tenant. Since 1973, the Equestrian Center has been located on contiguous portions of Parcels 2 and 5. The Tenant seeks to continue operating the Equestrian Center on the original areas of Parcels 2 and 5 plus three additional areas, together consisting of approximately 310,687 square feet of land (the "**Premises**"). The Premises are legally described in Exhibit A, and depicted in Exhibit B.

F. Tenant has received \$1,080,000 in grants from the Los Angeles County Regional Park and Open Space District under Los Angeles County Proposition A, Safe Neighborhood Parks Act for the purpose of refurbishing and remodeling existing improvements and for constructing new improvements on the Premises (collectively, the remodeling and new construction are referred to herein as "**Improvements**"). During construction, the Tenant will also temporarily occupy an additional area of the District's Parcel 5 for the purpose of erecting and using "Temporary Horsekeeping Facilities" as depicted in Exhibit E. The construction of the Improvements, the use of the Temporary Horsekeeping Facilities, and the operation of the Equestrian Center are collectively referred to as the "**Project**."

G. In recognition of the substantial investment of Proposition A Grant funds and to comply with Proposition A Grant regulations, Tenant seeks a long-term lease of the Premises.

H. The County and the District desire to lease the Premises to Tenant for the purpose of constructing the Improvements and continuing Tenant's operation and maintenance of the Equestrian Center pursuant to Government Code Sections 25526.6 and 26227.

I. The District seeks to establish the conditions under which the Project can be constructed and operated in order to maintain regulatory compliance, and in order to assure the integrity of the Environmental Control Systems.

J. The District seeks to establish the conditions under which the Temporary Horsekeeping Facilities can be constructed, maintained, operated, and removed on a short-term basis in conjunction with the construction of the Project.

The parties therefore agree as follows:

1. LEASE OF PREMISES.

- 1.1 Owners hereby lease the Premises to Tenant and Tenant hereby leases the Premises from Owners for the term described in Section 2.1.
- 1.2 The District hereby permits the Tenant to use the Temporary Horsekeeping Facilities area for the exclusive purpose of temporarily housing horses during the construction of the Project.



Tenant's use of the Temporary Horsekeeping Facilities is limited to no longer than the period of construction including any period of extension under Section 9.1(C) (the "**Permit Period**"). Tenant shall pay the District \$1.00 rent for use of the Temporary Horsekeeping Facilities during the first 18 months following the commencement of construction. If Tenant's use of the Temporary Horsekeeping Facilities exceeds the first 18 months following the commencement of construction, then Tenant shall pay the District in advance of the first day of the 19<sup>th</sup> month and each successive month \$2,720.00 monthly rent for any month or partial month for continued use of the Temporary Horsekeeping Facilities. The rental amount will not be prorated for any partial month of use. All District's representations and Tenant's duties under this Lease that pertain to the Premises and the Project will apply equally to the Temporary Horsekeeping Facilities. The District may revoke this permit upon 10 days notice for any failure by Tenant to comply with any provision of this Lease. Tenant shall immediately remove all structures from the Temporary Horsekeeping Facilities area upon notice of permit revocation, or before the end of the Permit Period, whichever is sooner. If the Tenant fails to timely comply with the removal requirements of the foregoing sentence, then the District may immediately remove all structures and return the Temporary Horsekeeping Facilities area to its prior condition at the Tenant's sole cost.

## 2. TERM AND RENT.

- 2.1 Term. The term of this Lease is 30 years, commencing upon the Effective Date of this Agreement, unless terminated sooner in accordance with this Lease.
- 2.2 Rent. Tenant shall pay \$2.00 to the Owners to lease the Premises during the term. This amount is due on the first day of the Lease term, and is payable by check in the amount of \$1.00 to each of the Owners at the address in Section 24.
- 2.3 Termination. Tenant shall vacate Premises and the Improvements upon termination of this Lease. At the time Tenant vacates the Premises, Tenant shall either remove the Improvements or convey the Improvements to the County in accordance with Section 10.

3. USES.

- 3.1 Permitted Uses. Tenant's use of the Premises is hereby limited to construction and operation of an equestrian center.
- 3.2 Prohibited Uses. Tenant shall not use the Premises for residential, school, daycare, or hospital purposes. Tenant shall comply with all terms of the Covenants to Restrict Use of Property attached as Exhibit C and Exhibit D. In the event additional restrictions are placed on the use of the property by the State of California or any regulatory agency, Tenant shall comply with all such restrictions.

4. CONDITION OF PREMISES.

- 4.1 Tenant acknowledges that the Premises are a part of the Landfill, a closed Class I Landfill, and that all or portions of the Premises have been filled with refuse and waste materials (including municipal, industrial and hazardous wastes), which are subject to ongoing decomposition resulting in settlement and subsidence and production and emission of combustible gases.
- 4.2 Tenant acknowledges that the Owners are responsible for ongoing post-closure maintenance activities at the Landfill, including operating and maintaining the Environmental Control Systems. The California Department of Toxic Substances Control ("DTSC") oversees all activities related to the operation and maintenance of the landfill gas systems, and the California Regional Water Quality Control Board regulates storm water discharges at the Landfill.
- 4.3 Tenant acknowledges that the Premises are subject to Covenants to Restrict Use of Property, which are attached as Exhibit C and Exhibit D.
- 4.4 Tenant accepts the Premises as-is, with all faults, and without any representation or warranty of any kind whatsoever, express or implied, from Owners as to the Premises, including without limitation as to:
- (A) The physical condition of the Premises including its soils, geologic stability, susceptibility to settlement, and presence of hazardous materials and substances affecting the soils, groundwater, or gases in, on and under the Premises or the adjoining or neighboring land.



- (B) Its habitability, merchantability, suitability, or fitness for human or animal uses as an Equestrian Center or other lawful use.
- (C) Owners' compliance with any applicable codes, laws, rules, regulations, statutes, resolutions, ordinances, covenants, conditions, and restrictions of the County of Los Angeles, State of California, the United States of America, any other governmental or quasi-governmental entities, or of any person or entity, including without limitation, relevant provisions of the Americans with Disabilities Act.
- (D) Owners' compliance with the restrictions on use established in the Covenants to Restrict Use of Property attached as Exhibit C and Exhibit D.

## 5. TENANT'S COVENANTS.

- 5.1 No Discrimination. Tenant shall make the Equestrian Center open and available to all residents of Los Angeles County. Tenant shall not discriminate against or give a preference, gratuity, bonus, discount or other benefit to residents of any particular area, community, neighborhood, incorporated city, or unincorporated territory.
- 5.2 No Interference with Owners. Tenant shall not interfere with any functions of the Owners on or outside the Premises. Tenant shall allow Owners to have unfettered access to and use of the Premises and to the adjacent roadways.
- 5.3 Construction and Operation of Project. Tenant shall construct the Improvements in accordance with Section 9, and maintain and operate them only as part of the Equestrian Center.
- 5.4 Tenant to Pay All Project Costs. Tenant shall pay all costs associated with financing, development, construction, operation, and maintenance of the Project, including without limitation: compliance with the California Environmental Quality Act; Legal Descriptions; regulatory permits; and DTSC oversight.
- 5.5 Development Documents. Tenant acknowledges that the Owners have a security interest in all plans, drawings, specifications, documents evidencing governmental approvals or partial approvals, permits, environmental documents, soil, engineering and planning studies, working drawings, architect agreements and the like pertaining to the Project ("**Development Documents**"). Full right, title and lien-free ownership interest in all Development Documents will vest in Tenant. Upon expiration

or termination of this Lease, Tenant shall provide the Owners or their assignees with true copies of all Development Documents. Tenant will retain its proprietary interest in the Development Documents, and the Owners may not use the Development Documents for any purpose other than maintenance, repair, or remodeling of the Improvements, without the prior express written consent of the Tenant. Tenant shall provide Owners all Development Documents for approval in accordance with Section 9.3.

- 5.6 Parking Spaces. Tenant shall provide on-site parking spaces for public and Tenant's use, as determined by Tenant, Owners and any applicable governmental or legal requirements.

6. COMPLIANCE WITH LAWS.

- 6.1 Compliance with Laws: Subject to Tenant's right to contest in accordance with this Section 6, Tenant shall, at its sole cost, conform to, and cause all persons using or occupying any part of the Project to comply with all laws, ordinances, and regulations ("**Laws**"), including those Laws applicable to the construction of the Improvements, use of the Project, and occupation of the Premises. No part of the Project may be used or permitted to be used for any activity that constitutes a nuisance.

- 6.2 Indemnity. Tenant shall indemnify and hold harmless the Owners from any penalties, fines, damages, fees, costs, or charges imposed for any violation of any and all Laws arising from or pertaining to Tenant's construction of the Improvements, operation of the Project and occupation of the Premises, whether occasioned by neglect, omission, or willful act of Tenant or any person (other than the Owners, their officers, agents, employees, guests, and invitees) by license, invitation, sublease, assignment, or any other arrangement with Tenant.

- 6.3 Right to Contest Laws:

- (A) Tenant may contest the validity or application of any Laws that restrict Tenant's use of the Premises, or that require Tenant to repair, maintain, alter, or replace the Project in whole or in part. Tenant shall exercise this right to contest in such manner as to avoid any exposure of the Project to foreclosure or execution sale.
- (B) Owners may join in the Tenant's contest.
- (C) The Owners will have full subrogation rights if Tenant fails to contest.



- (D) Tenant will not be in default for failing to exercise its rights under this clause or for failing to commence repairs, maintenance, alterations, or replacement obligations imposed by Laws, until a reasonable time following the final judgment and conclusion of appeals in Tenant's administrative or judicial proceedings, provided that Tenant protects the Owners and the Project from any lien by surety bond or other security satisfactory to Owners.

## 7. TAXES AND ASSESSMENTS.

### 7.1 Payment of Taxes:

- (A) Tenant shall pay promptly any applicable personal property taxes, real property taxes, real property assessments, rental taxes, excise taxes, business and occupation taxes and assessments, or taxes or charges of any kind or nature whatsoever ("**Taxes**") levied or assessed against the Premises or the Project, Tenant's operations on the Premises, or against Tenant's possessory interest.
- (B) If either of the Owners receives notice of any Taxes related to the Premises or the Project, that Owner shall forward the notice to the Tenant. If an Owner fails to forward a tax notice to the Tenant, then that Owner will be liable for any penalties and interest resulting from a delay in payment caused by that Owner's failure to promptly notify the Tenant. But, the Owners will not be liable for the principal amount of the Taxes nor any penalties or interest resulting from the Tenant's failure to promptly pay after notice.

- 7.2 Indemnity: Tenant shall indemnify and hold harmless the Owners from the payment of Taxes, including any penalties and interest, except for penalties and taxes resulting from failure of the Owners to notify the Tenant as provided in Section 7.1(B). Tenant shall prevent Taxes from becoming delinquency liens upon the Project or the Premises. Unless Tenant notifies the Owners in writing that Tenant is contesting or proposes to contest Taxes, Tenant shall allow Owners to pay any Taxes that are more than 90 days delinquent. Owners will not be obligated to pay delinquent Taxes; but, if Owners elect to pay delinquent Taxes, Tenant shall immediately pay the Owners the full amount of the delinquent Taxes including any late charges, penalties, or interest.

- 7.3 Tenant's Right to Contest Taxes: Tenant may, at its own expense, contest the amount or validity of any Taxes by appropriate proceedings diligently conducted in good faith which

will operate to prevent the collection of any Taxes so contested or the sale of the Project or any part thereof to satisfy the same. Pending final judgment and appeals of any such legal proceedings, Owners will not have the right to pay, remove, or discharge any Taxes that are subject to Tenant's contest, but Tenant must protect Owners and the Project from any lien by adequate surety bond or other security deemed appropriate by the Owners.

- 7.4 Proration of Taxes: If, at any time during the term of this Lease, any Taxes are levied for a benefit with a useful life longer than the remaining Lease Term, then Tenant shall pay its pro-rata share of the Taxes. If these Taxes become due and payable after the expiration or termination of the Lease, then Tenant shall pay its pro-rata share within 15 days of the expiration or termination. If Tenant pays Taxes in excess of its pro-rata share, then Owners shall promptly return the excess upon expiration or termination of the Lease.

## 8. UTILITIES.

- 8.1 Tenant shall pay all utility charges and all costs associated with connecting, increasing, or providing utility services to the Project and the Improvements. If Tenant uses utility services financed or maintained in whole or in part by Owners, then Tenant shall also pay to the appropriate Owner a pro-rata share of the capital costs associated with any major additions or improvements to any such utility system required as a result of the Project.
- 8.2 Tenant shall not enter into any agreement with any governmental entity or public utility with reference to sewer lines, water lines, street improvements, street lighting, or utility connections, lines, or easements without the prior written consent of Owners, which consent will not be unreasonably withheld, conditioned, or delayed.
- 8.3 Title to all utility lines, transformer vaults, and all other utility facilities constructed or installed by Tenant upon the Premises will vest in each respective Owner according to the land in which the facilities are installed, upon construction or installation to the extent that they are not owned by a utility company or other third-party provider. However, during the term of this Lease, Tenant shall maintain and repair all utility lines, transformer vaults, and all other utility facilities (other than any sewer, storm drain or other utility systems that have been dedicated to and accepted by County pursuant to a dedication separate from this Lease).



## 9. CONSTRUCTION.

### 9.1 Construction of Improvements:

- (A) Description of Improvements: The Project involves improving the horse keeping facilities presently on the Premises by replacing 30 pipe corrals with a new 36-stall barn; installing a new restroom; installing a new covered area for feed, manure, and shavings; providing an unimproved vehicular access for the District; and installing water quality/drainage improvements across the entire site. The Project also involves temporary equestrian facilities to replace displaced facilities during construction and installing fire hydrants per the requirements of the Los Angeles County Fire Department.
- (B) Governmental Approvals: Tenant shall not undertake any construction of the Improvements (collectively, "Work") until Tenant has paid for, obtained, and provided to the Owners all required permits and authorizations for the Work, including any permits required by DTSC. No zoning changes or variances may be obtained except with the Owners' prior written consent, but Owners shall not unreasonably withhold their consent to any petition or application for zoning change or variance required for the construction of the Improvements and the uses of the Premises and Improvements permitted under this Lease. Tenant shall obtain any permits and authorizations required to construct the Improvements and perform the Work within 24 months after the commencement date of this Lease. If any application or petition is rejected or returned for revision and Tenant is making a good faith effort to complete the necessary revisions to the plans or applications, then upon Tenant's written request, Owners may grant Tenant an additional 12 months within which to obtain the necessary approvals. Tenant must provide Owners with quarterly written reports, augmented by verbal reports if requested by Owners, of the progress and steps being undertaken to obtain government approvals necessary for the completion of the Work.
- (C) Commencement and Completion of Construction: All Work must be undertaken and completed with due diligence. Construction of the Improvements must commence within three months of the issuance of all necessary permits, and must be completed (except normal punch-list items) within 24 months following the commencement of construction. For purposes of this Lease, the commencement of construction is

the date on which the notice to proceed is issued by the City to the contractor. The City shall provide the District and the County with a copy of the notice to proceed at the same time the notice to proceed is delivered to the contractor. If the Owners fail to approve or disapprove of any of the documents described in Section 9 within the designated time frames, or if the Owners or any other governmental agency with jurisdiction order the Work stopped, then Tenant will be entitled to a day-for-day extension of the time periods set forth in this Section 9.1(C).

- (D) Performance and Payment Bonds: Prior to the commencement of construction, Tenant shall purchase or cause its contractor to purchase:
- (1) a performance bond in an amount of not less than 100% of the cost of construction of the Improvements, as approved by Owners, made payable jointly to the County of Los Angeles and County Sanitation District No. 2 of Los Angeles County, and executed by a corporate surety authorized to conduct business as a surety in the State of California and approved by Owners; and
  - (2) a payment bond in an amount of not less than 100% of the costs for labor and materials, as approved by Owners, made payable jointly to the County of Los Angeles and the County Sanitation Districts of Los Angeles County, and executed by a corporate surety authorized to conduct business as a surety in the State of California and approved by Owners.
- (E) Bond Approval: Tenant will be deemed to have satisfied the requirements of Section 9.1(D) if its general contractor posts a payment and performance bond each in an amount not less than 100% of the cost for labor and materials with respect to all subcontractors providing labor and materials in excess of \$25,000. Owners shall not unreasonably withhold bond approvals.
- (F) Alternate Bonds: Owners may accept certificates of deposit, cash deposits, letters of credit, or U. S. Government securities in lieu of commercial bonds to meet the above bonding requirement. Such alternate bonds must be made jointly payable to the County and District and City and must be deposited with the County's Auditor-Controller.



## 9.2 Construction Standards:

- (A) General Construction Standards: Tenant shall take all reasonably necessary measures to minimize any damage, disruption, or inconvenience caused by the Work and shall make adequate provision for the safety and convenience of all persons and horses affected by the Work. Tenant shall repair, at its own cost and expense, any and all damage caused by the Work, and shall restore the area upon which the Work is performed to a condition that is at least equal to or better than the condition that existed prior to the beginning of the Work. In addition, Tenant shall pay (or cause to be paid) all costs and expenses associated with the Work, and shall indemnify and hold Owners harmless from all damages, losses, or claims attributable to the performance of the Work. Dust, noise, and other effects of the Work must be minimized using the methods customary in a populated or developed area.
- (B) Utility Work: If Tenant or its contractors or agents perform any Work to connect to, repair, relocate, maintain, or install any storm drain, sanitary sewer, water line, gasoline, telephone conduit, or any other public utility service, Tenant or its contractor or agents shall minimize interference with the provision of utility services to Owners and the neighboring residents, occupants or other persons.
- (C) Compliance with Laws: Tenant shall construct all Improvements in compliance with all applicable local, state, and federal laws and regulations. Tenant must obtain all necessary permits directly from the person or governmental agencies having jurisdiction.
- (D) Construction Safeguards: Tenant shall erect and properly maintain at all times, as required by the conditions and the progress of the Work, all necessary safeguards for the protection of workers and the public.
- (E) Owners' Cooperation: Owners will cooperate with and assist Tenant in every reasonable way in Tenant's efforts to obtain all governmental consents, approvals, permits, or variances required to perform the Work permitted under the terms of this Lease, including Owners' joinder in any application for any such consent, approval, permit, or variance where joinder by the owner of the property is required by law. Any such joinder must be at no cost to Owners.

- (F) Rights of Access: Representatives of Owners may access the Premises and the Improvements during normal construction hours during the period of construction, for the purpose of ascertaining compliance with the terms of this Lease, including, but not limited to, the inspection of the construction work being performed. Owners' access will be reasonably calculated to minimize interference with Tenant's construction or operations.
- (G) Notice of Completion: Upon completion of construction of any building, Tenant shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion (the "**Notice of Completion**") with respect to the Improvements, and Tenant shall provide Owners a diagram and shall label and identify any and all electrical panels, circuit breakers, switches, fire sprinklers and plumbing shut off valves as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Tenant shall furnish County's Chief Executive Office and District's Facilities Planning Department each with one complete set of film mylar reproducible as-built drawings.

### 9.3 Approval of Plans:

- (A) Construction Plans, Drawings and Related Documents: Tenant shall prepare and submit the Development Documents described in Section 5 for architectural and site planning review by Owners.
- (B) Review of Development Documents: The Owners shall act on the Development Documents within 30 days after receipt. Any Development Documents not approved or rejected within the 30-day period will be deemed rejected. The Owners' review and approval will not relieve Tenant from any obligations under this Lease, including compliance with any regulatory requirements imposed by federal, state, or local governments.
- (C) Remodeling: After the Notice of Completion is filed, Tenant may, without Owners' consent and without submission of plans or evidence of financing (but subject to all other provisions of this Lease), undertake any nonstructural interior remodeling of any structure or improvement that is either not visible from the outside or does not materially alter the exterior appearance and does not alter the preexisting location of the other Improvements.



(D) Alterations and Additions:

- (1) After the Notice of Completion is filed, Tenant may undertake any alteration to or addition on the Premises that is not included in Section 9.3(C) and that does not change the use of the Improvements or reduce the fair market value of the Improvements.
- (2) Tenant shall perform any alteration or addition work with due diligence, in good and workmanlike manner, and in compliance with all Laws.
- (3) If an alteration or addition would materially alter the external appearance of the Improvements, Tenant shall provide Owners with 30 days prior written notice of the proposed alterations or additions, and shall obtain the Owners' approval in writing of the plans and specifications. Owners shall advise Tenant of their approval or disapproval of the plans within 30 days after submission, setting forth in detail the reasons for any disapproval in writing. In the event of disapproval, resubmissions may be made, and review will be conducted, in the same manner and with the same provisions as the original submission.

(E) Demolition and Reconstruction:

- (1) With the Owners' written consent, Tenant may, at any time following issuance of a Notice of Completion, demolish part or all of the Improvements for the purpose of immediately constructing on the Premises a structure or structures having at least the fair market value of the demolished Improvements.
- (2) At least 30 days prior to the commencement of any demolition, Tenant shall:
  - (a) Provide written notice of the proposed demolition and construction to the Owners; and
  - (b) Provide satisfactory evidence of sufficient financing to pay the costs of demolition and reconstruction; and
  - (c) Submit to the Owners for approval the preliminary plans and specifications for the proposed new Improvements, prepared by an architect selected by Tenant and satisfactory to Owners.

- (3) Owners shall advise Tenant of their approval or disapproval of the plans within 30 days after submission, setting forth in detail the reasons for any disapproval in writing. In the event of disapproval, resubmissions may be made, and review will be conducted in the same manner and with the same provisions as the original submission.
- (4) Tenant shall perform any demolition and construction of new Improvements with due diligence, in a good and workmanlike manner, and in compliance with all Laws and provisions of this Lease including, in the case of major demolition of the Improvements and new construction, compliance with Section 9 of this Lease. Demolition and new construction is "major" if the portion of the Improvements demolished exceeds 25% of the total square footage of the Improvements.
- (5) Tenant shall not demolish any portion of the Improvements other than strictly in accordance with the provisions of this Section 9.3(E) without the prior written consent of Owners, except for such minor demolitions in connection with alterations or additions as are performed in compliance with the provisions of Sections 9.3(C) or 9.3(D)(1).
- (F) Changes to Plans Following Approval: No material changes to the approved plans and specifications may be made without the prior written approval of the Owners. Any proposed material changes must be submitted to Owners for Owners' review and approval or rejection. Owners shall approve or reject the proposed changes within 45 days following receipt. Owners' failure to approve such proposed changes within the 45-day period will be deemed a rejection.

10. OWNERSHIP OF IMPROVEMENTS AND REMOVAL OF PERSONAL PROPERTY:

- 10.1 Ownership of Improvements: All Improvements will remain the property of the Tenant during the term of this Lease, and Owners will have no right, title, or interest in the Improvements except as expressly set forth in this Lease. But, Tenant's rights and powers with respect to the Improvements are subject to the terms and limitations of this Lease and to the terms and limitations of any lease or security interest or encumbrance relating to Tenant's acquisition, construction, installation, and leasing of the Improvements. Once constructed, Tenant shall not remove,



waste, destroy, or modify any Improvements, except as specifically permitted by this Lease. Upon termination of this Lease, the Improvements will either be removed or will vest in Owners, at Owners' election and at Tenant's cost.

10.2 Personal Property Removal and Ownership at Termination: At the termination of this Lease, Owners may require the removal from the Property, at Tenant's sole cost and expense, of the Improvements, all personal property and trade fixtures, as specified in the notice provided for below. Notices that take effect at the normal termination of the term of this Lease must be given at least 30 days before the expiration date. Notices that take effect on any date other than the normal termination of the term of this Lease may be given concurrently with a notice of such termination or within 10 days after such notice of termination. Tenant shall pay Owners for costs incurred to remove any personal property or trade fixtures that Tenant fails to remove after demand pursuant to this section. Tenant may remove any personal property and trade fixtures from time to time during the lease term and within 45 days following termination. Tenant shall repair all damage (structural or otherwise) caused by any such removal; but damage to Improvements that are obsolete economically or functionally or that are not material need not be repaired if the Improvements are or are made structurally sound. Any personal property or trade fixtures not removed by Tenant within 45 days following termination will be deemed abandoned by Tenant and will, without compensation to Tenant, then become Owners' property free and clear of all claims to or against them by Tenant or any other person, except as otherwise provided in this Lease.

10.3 Owners' Waiver: Owners, within 10 days after demand from Tenant, shall execute and deliver any document required by any supplier, Owners, vendor, or lender in connection with the installation on the Premises of Tenant's personal property or trade fixtures in which Owners waive any rights they may have or acquire with respect to that property, if the supplier, Owners, vendor or lender agrees in writing that:

- (A) it will remove or commence the removal of, or cause Tenant to remove or commence the removal of, that property from the Premises within 30 days after termination of this Lease, and
- (B) it will make, or require Tenant to make, whatever restoration to the Premises is reasonably necessitated by the removal.

11. MAINTENANCE OF PROJECT:

- 11.1 No Duty of Owners to Maintain. Owners will not be required or obligated to maintain or make any changes, alterations, additions, improvements, replacements, or repairs in, on, or about the Improvements, the Project or the Premises during the term of this Lease except for the District's obligations with respect to the Environmental Control Systems.
- 11.2 Tenant's Duty to Maintain Premises. Throughout the term of this Lease, Tenant shall, at Tenant's sole cost and expense, maintain the Project and the Premises in good condition and repair and in accordance with the requirements of all Laws, the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction, and any insurance companies insuring all or any part of the Project or Premises if applicable.
- 11.3 Trash, Dust, Odors, and Pests. Tenant shall keep the Premises clean and free from rubbish and accumulations of manure and other waste and shall implement measures to prevent and control dust. Tenant shall provide all necessary janitorial and grounds maintenance services for the Premises and shall implement measures, at no cost to Owners, to eliminate or curtail the emission of odors and the breeding of flies and other pests.
- 11.4 Adequate Drainage – No Ponding. Tenant shall provide and maintain adequate drainage of the Premises at no cost to Owners. Tenant shall at no cost to Owners incorporate into the Improvements best management practices to prevent ponding on and infiltration into refuse-filled areas, prohibit non-storm water discharges from the Premises, control runoff, and prevent storm water pollution related to any element of the Project or the Premises. At a minimum, Tenant shall incorporate into the Project, at no cost to Owners, best management practices to prevent the discharge of sediment and bacteria.
- 11.5 Environmental Control Systems. Tenant shall not in any way alter, affect, tamper with, or compromise the integrity of the Environmental Control Systems, or allow or permit its agents or users to do so.
- 11.6 Altering Landfill Cover. Tenant shall obtain District and DTSC approval prior to altering the landfill cover within the Premises. Altering the landfill cover includes scraping, digging, trenching, excavating, grading, and amending the soil.



- 11.7 Owner's Right of Access. Tenant shall allow the District unfettered access to the Premises for the purpose of monitoring, installing, and maintaining any Environmental Control Systems. Owners' work related to Environmental Control Systems will have priority over all Project-related Work. If Owners' work related to the Environmental Control Systems requires relocation of any of Tenant's Improvements, then Tenant shall pay for the relocation and any associated costs.
- 11.8 Roadways. Tenant shall not place any improvement that encroaches upon adjacent roadways, and shall preserve Owners' ability to access and use those roadways, and shall preserve District's ability to operate and maintain the Environmental Control Systems.

12. NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY: This is a non-subordinated lease. Except as provided in Section 8 (Utilities), or this section, Tenant shall not create or suffer any encumbrance upon the Premises or the Improvements without the written consent of Owners. Tenant shall not, without obtaining the written consent of Owners, assign any of Tenant's interest under this Lease as security. Tenant shall, without any cost or expense to Owners, execute any instrument requested by Owners to further effect the non-subordination of this Lease.

13. LIENS:

13.1 General: Subject to Section 7 (Taxes and Assessments) and 12 (Non-Subordination and Non-Assignment as Security):

- (A) Owners shall keep the Premises free and clear of any and all liens or encumbrances created by Owners' acts or omissions or those of its agents or employees, and shall indemnify and hold harmless Tenant from any such Owners-created liens or demands.
- (B) Tenant shall keep the Premises free and clear of any and all liens, claims, demands, or encumbrances created by Tenant's acts or omissions, or created by the performance of any labor or furnishing of any material, supplies, or equipment related to the Project or the Premises.
- (C) Tenant shall pay any and all costs, damages, or liability in connection with any breach of Section 13.1(B), together with reasonable attorney's fees and all costs and expenses incurred by Owners in negotiating, settling, defending, and otherwise protecting the Project or Premises against such liens, claims, or demands.

### 13.2 Protection of Owners:

- (A) Nothing in this Lease will be construed as constituting the consent of Owners, express or implied, to the performance of any labor or the furnishing of any materials or any specific improvements, alterations of, or repairs to the Premises or any part of the Premises by any contractor, subcontractor, laborer or materialman, nor as giving Tenant or any other person any right, power, or authority to act as agent of or to contract for, or permit the rendering of any services, or the furnishing of any materials, in such manner as would give rise to the filing of mechanics' liens or other claims against the fee interest of Owners in the Premises or the Improvements.
- (B) Owners may at all reasonable times post and keep posted on the Premises any notices that Owners deem necessary to protect Owners, the Premises, and the Improvements from mechanics' liens or other claims. Tenant shall give Owners 10 days' written notice prior to the commencement of any work to be done on the Premises, to enable Owners to post the notices. In addition, Tenant shall pay promptly all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to Tenant or any of its contractors or subcontractors in connection with the Premises and the Improvements.

### 13.3 Mechanics' and Other Liens:

- (A) Tenant shall pay, or cause to be paid, the total cost and expense of all works of improvement as that phrase is defined in the applicable mechanics' lien law in effect when the Work begins. Tenant shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising out of the performance of the Lease, to stand against any part of the Project or the Premises. If any such lien is filed against the Project or the Premises, Tenant shall cause the same to be discharged within 10 days after actual notice of such filing, by payment, deposit, or bond. If Tenant fails to discharge any such lien, Owners may discharge the same, and any amount paid or deposited by Owners and all expenses incurred by Owners, including reasonable attorney's fees, will become immediately due and payable by Tenant to Owners together with interest computed at the rate of 7% annually.

- 13.4 If Tenant desires to contest any lien, Tenant shall notify Owners of Tenant's intention to do so within 10 days after the filing of and



service upon Tenant of the lien, or lose the right to contest. If Tenant furnishes a bond required by California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Project from the effect of such lien), Tenant will not be in default hereunder until 5 days after the final determination of the validity of the lien, within which time Tenant shall satisfy and discharge any such lien to the extent held valid, but the satisfaction and discharge of any such lien will not, in any case, be delayed until execution is had upon any judgment, in which event Tenant will be in default of this Lease. In the event of any such contest, Tenant shall indemnify Owners against all loss, cost, expense, and damage, including reasonable attorney's fees, resulting from the contest.

- 13.5 Notice: If any claims of lien are filed against the Premises or the Improvements, or if any action affecting the title to the Premises or the Improvements is commenced, the party receiving notice of such lien or action shall immediately give the other parties written notice.

#### 14. INDEMNIFICATION AND INSURANCE:

- 14.1 No Agency, Partnership, or Joint Venture. This Lease is not intended to, and does not create the relationship of agent, servant, employee, partnership, joint venture, or association, between Owners and Tenant, or between the Owners themselves. The relationship between the parties is one of adjacent landlords and their common tenant only.
- 14.2 Indemnification: Tenant shall, subject to the other provisions of this Lease, indemnify, defend, save and hold harmless Owners, their Special Districts, affiliates, agents, directors, officers and employees from and against any and all liability and expense, including reasonable defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage to the extent arising from or connected with the Project, the Equestrian Center facilities and operations, including any Workers' Compensation proceedings, liability, or expense, arising from or connected with services or operations performed by Tenant or on behalf of Tenant by any person pursuant to this Lease, and excluding any liability and expenses caused by the sole negligence or willful misconduct of Owners, their affiliates, agents, directors, officers or employees.

#### 14.3 Insurance:

- (A) Tenant shall procure, carry, and maintain in full force and effect at all times during the term of this Lease, at its sole cost and expense, the insurance coverage described below with the limits described below. The insurance must be maintained with insurers and under forms of policies satisfactory to the Risk Managers of the District and the County. Tenant shall provide a copy of the insurance policies, and/or other proof of coverage to the Owners, prior to the execution of this Lease.
- (B) Each of the insurance policies required by this Lease must be written as "occurrence" type policies, must provide for defense cost "ex-limits," and must identify the Tenant as the named insured and identify the Owners as additional insureds, and cover any other persons, firms, or corporations designated by the Owners (collectively "**Insured Parties**") in such a manner and at such amounts as set forth below.
- (C) Each of the insurance policies required by this Lease must contain "Cross Liability" and "Severability of Interest" clauses. No policy may contain any exclusion regarding loss or damage to property caused by explosion, collapse of buildings or structures or damage to property underground, premises-operation, completed operations, contractual insurance, or independent coverage for the District or the County.
- (D) Each of the insurance policies required by this Lease must contain a provision or endorsement stating that the insurance, subject to all of its other terms and conditions, applies to the liability assumed by Tenant under this Lease. Any such endorsement must be in a form acceptable to the District and the County.
- (E) The required insurance policies must be delivered to each of the Owners at the addresses provided in Section 24 (Notices). Insurance policies must specifically identify this Lease and must contain express conditions that Owners are to be given written notice at least 30 days in advance of any modification or termination of any program or insurance.
- (F) The insurance must be primary to and not contributing with any other insurance maintained by County or District, and must name the County and the District as additional insureds.



(G) Required Policies of Insurance:

- (1) Comprehensive General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County and District as additional insureds with limits of not less than the following:

General Aggregate:	\$4 million
Products/Completed Operations:	\$2 million
Personal and Advertising Injury:	\$2 million
Each Occurrence:	\$2 million

Policy must be endorsed to eliminate exclusions for sporting or equestrian activities.

- (2) Property Insurance for all Tenant-occupied buildings, facilities, and improvements to 100% of their replacement cost, using a standard form fire insurance policy containing the "extended coverage" endorsement.

- (3) Comprehensive Auto Liability (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident and providing coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto."

- (4) Worker's Compensation and Employers' Liability providing workers compensation benefits, as required by the Labor Code of the State of California and for which Tenant is responsible, and including Employers Liability Coverage with limits of not less than the following:

Each accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

(H) Construction Insurance. If major construction work is performed by Tenant during the term of this Lease (i.e. demolition of structures, construction of new structures, renovation or retrofit involving structures frame, foundation or supports, or more than 50% of building, etc.) then Tenant or Tenant's contractor must provide the following insurance:

1. Builder's Risk Course of Construction Insurance. Such coverage must:

Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and be endorsed to include ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant clean-up and removal, preservation of property, and full collapse coverage during construction (without restricting collapse coverage to specified perils). Such insurance must be extended to include boiler & machinery coverage for air conditioning, heating and other equipment testing.

Be written on a completed value basis and cover the entire value of the construction, including any Tenant and County- or District-furnished materials and equipment, against loss or damage until completion accepted by Tenant.

2. General Liability Insurance: written on ISO policy form CG 00 01 or its equivalent with limits of not less than those specified or evidence of such excess insurance to meet these requirements:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising injury:	\$1 million
Each Occurrence:	\$1 million

The products/completed operations coverage must continue to be maintained in the amount indicated above for at least 5 years after the date construction is completed and accepted by Tenant.

3. Automobile Liability insurance: Written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for bodily injury property damage, in combined or its equivalent split limits, for each single accident. Such insurance must cover liability arising out of contractor's use of vehicles pursuant to this Project, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

4. Professional Liability/Errors and Omission insurance. Such insurance must cover liability arising from any error, omission, negligent or wrongful act of the contractor, its officers or employees arising from or related to the design and construction with limits of not less than \$1 million per occurrence. And \$2 million aggregate. The coverage must also provide an extended five years after the date the construction is completed and accepted by the Tenant and County.



5. Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County and District as the Alternate Employer, and the endorsement form must be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

6. Asbestos or Pollution Abatement Liability Insurance: If construction requires remediation of asbestos or pollutants. Such insurance must cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal, or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring, and treatment of asbestos or pollutants in compliance with governmental mandate or requests. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the contractor's of Subcontractor's Automobile Liability Insurance. Contractor must maintain limits of not less than \$3 million.

7. Contractors Pollution Liability: Contractor and all subcontractors must be covered for pollution liability, including transportation and cleanup arising from the handling, application or other release of pollution from operations under this contract. Coverage must be for sudden and accidental occurrences with limits no less than \$3 million. Coverage must apply for the entire construction period and include coverage for completed operations for a period of at least then (10) years after final completion

14.4 Failure to Procure Insurance. Failure by Tenant to procure or maintain the required insurance will constitute a material breach of contract upon which Owners may immediately terminate this Lease.

14.5 Repair and Restoration.

(A) If, during the term of this Lease, the Improvements or the Premises are damaged due to a risk covered by insurance,

Tenant shall repair the damage and restore the Improvements or Premises to substantially the same condition as they were in immediately before the damage.

- (B) If, during the term of this Lease, the Improvements or the Premises are damaged to any extent by an occurrence not covered by insurance, and whether or not that damage is significant, Tenant may either repair the damage and restore the Improvements to substantially the same condition as they were in immediately before the damage, or terminate this Lease and restore the Premises to its condition prior to the Lease. Tenant shall make this election by written notice to Owners within 60 days of the occurrence of the damage.
- (C) If the Improvements are damaged to any extent during the last 2 years of the term of this Lease, and whether or not that damage is significant, any party may terminate this Lease by providing written notice to the other parties within 60 days of the occurrence of the damage.
- (D) As used in this section, the term "significant" means damage to the Improvements requiring repair or restoration at a cost in excess of 50% of the per-damage replacement cost value of the Improvements.
- (E) If Tenant is required or elects to repair any damage to the Improvements, Tenant shall repair the damage or restore the Improvements to substantially the same condition as they were in immediately before the damage as promptly as is reasonably possible. To the extent the damage is due to a risk covered by insurance maintained under Section 14 of this Lease, such repairs must be made from the proceeds of such insurance and the proceeds of such insurance must be made available to Tenant for such purpose. All work must be performed in a good and workmanlike manner and must be completed as promptly as is reasonably possible and in accordance with all applicable public laws, ordinances, and regulations. Commencement of the repair and restoration requires (a) securing the area to prevent injury to persons and/or vandalism to the Improvements and (b) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration. In no event may Tenant repair, replace, or restore any damaged equipment, personal property, or trade fixtures of Owners located in or about the Improvements. The repair, replacement, or restoration of the Owners' equipment,



personal property or fixtures will be the sole responsibility and expense of Owners.

- (F) If Laws existing at the time of the damage do not permit the repair or restoration, any party may terminate this Lease immediately by giving written notice to the other parties. If this Lease is terminated pursuant to any of the provisions in this Section 14.5, the proceeds of any and all insurance maintained under Section 14.3 will be the sole property of the Tenant and will, if received by Owners, be promptly paid to Tenant; but those proceeds will be used first to restore the Premises to the condition when leased if such restoration is permitted by law.
- (G) Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4), which relate to termination of leases when the thing leased is destroyed, and agrees that such event will be governed by the terms of this Lease.

15. HAZARDOUS SUBSTANCES:

- 15.1 Definition: For purpose of this Lease, "hazardous substances" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any environmental laws based upon, directly or indirectly, such properties or effects. As used herein, "environmental laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to the Landfill or Premises.

15.2 Hazardous Substances Prohibited:

- (A) Tenant shall not cause or allow the presence, use, release, storage, or disposal of any hazardous substances on or about the Premises without the prior written consent of Owners.
- (B) Tenant shall comply, and cause its agents to comply, with all federal, state, and local laws and regulations concerning the use, release, storage, and disposal of hazardous substances on the premises.

15.3 Notice: Tenant shall immediately notify Owners if Tenant becomes aware that hazardous substances are released on the Premises.

15.4 Indemnities:

- (A) Tenant shall indemnify, defend, and save harmless the Owners and their Special Districts, elected and appointed officers, agents and employees from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature that arise out of or are related to any presence or release of hazardous substances on the Premises caused by Tenant. This indemnity will survive the termination of this Lease.
- (B) As between the Owners, the District and the County shall indemnify, defend and save harmless each other according to the terms of the Joint Powers Agreement.

16. DEFAULT:

16.1 Conditions of Default. Tenant will be in material default and breach of this Lease if any of the following occur:

- (A) If Tenant vacates or abandons the Improvements. The terms "vacate" and "abandon" do not include times when the Premises are not in use because of remodeling, repairs, or the replacement of equipment, provided that such remodeling, repairs, and replacement are undertaken and completed in a prompt manner by Tenant.
- (B) If Tenant fails to observe or perform any provision of this Lease for 30 days after it receives written notice from either Owner, except if the default is of a type that cannot reasonably be cured within 30 days, and Tenant makes a good faith effort to cure the default within 30 days.



- (C) If Tenant makes any general assignment for the benefit of creditors, or files a petition for bankruptcy or reorganization; or a petition for bankruptcy or reorganization is filed against Tenant and not dismissed within 60 days; or a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Project or of Tenant's interest in this Lease, and is not discharged within 60 days.

16.2 Remedies: If Tenant defaults under this Lease, Owners will have, in addition to any other remedies available in law or equity, one or more of the following remedies at Owners' election:

- (A) Without barring later election of any other remedy and without terminating Tenant's right to possession of the Project, Owners may require strict performance of all covenants and obligations in this Lease as they accrue or become due, without terminating this Lease, and Owners will have the right of action immediately without awaiting the end of the Lease term.
- (B) If Owners obtain possession of the Project under a judgment pursuant to Section 1174 of the Code of Civil Procedure (unless Tenant obtains relief under Section 1179 of that Code) or if either of the Owners, by written notice declares the Lease to be terminated because of breach of this Lease, then Owners may enter upon the Premises and remove any persons and property on it, and place all or any removed property in storage for the account of and at the expense of Tenant and dispose the property in accordance with applicable laws. Owners may recover in one or more awards or judgment from Tenant:
  - (1) Any amount necessary to compensate Owners for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which in the ordinary course of things would be likely to result from that failure. This includes expenses (including reasonable attorney's fees) paid, assumed, or incurred by Owners to recover possession of the Premises, placing the Premises in good order and condition, preparing or altering Premises for reletting, and reletting Premises during any part of time for which a rental concession, if any, had been given by Owners.
  - (2) Owners may terminate this Lease by giving Tenant notice of termination. Upon notice in writing to Tenant,

all of Tenant's rights in the Premises and in the Improvements will terminate. Owners will not be deemed to have accepted or consented to an abandonment by Tenant by performing acts intended to maintain or preserve the Premises, making efforts to relet the Premises, or appointing a receiver to protect Owners' interest under this Lease. Promptly after notice of termination, Tenant shall surrender and vacate the Project, Improvements and Premises, and leave them in a broom-clean condition, and Owners may re-enter and take possession of the Premises and eject any parties in possession. Termination under this section will not relieve Tenant from any obligations under this Lease or from any claim for damages incurred or accruing against Tenant up to the date of termination.

- (C) Owners may enter the Project and, without terminating this Lease, at any time and from time to time may use or let the Premises or the Improvements or any part or parts of them for the account and in the name of Owners. Any reletting may be for the remainder of the term or for a longer or shorter period. Owners will be entitled to all rents from the use, operation, or occupancy of the Project or any part thereof. Tenant will, upon such election by Owners, have the right to immediately remove its personal property and trade fixtures.
- (D) Subject to Tenant's and Owners' rights to contest as provided elsewhere in this Lease, if, at any time during the term of this Lease, Tenant fails, refuses, or neglects to undertake any actions that the Owners require the Tenant to undertake under this Lease, then Owners will have the right, but not the obligation, to undertake those actions, but at the cost of and for the account of the Tenant; except that the Owners must first give the Tenant written notice of such failure, refusal, or neglect and provide the time periods specified in this Lease for the Tenant to commence a bona fide effort to cure the same.

- 16.3 Equitable Relief: Nothing in this Lease will affect, change, or waive any rights of Owners or Tenant to obtain equitable relief when such relief is otherwise appropriate, or to obtain the relief provided by Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.



16.4 Cumulative Remedies: The Owners' remedies provided above are cumulative and in addition to, rather than exclusive of, any other remedy of Owners herein established or otherwise permitted by Laws. The Owners will not be liable for damages or guilty of trespass because of any lawful presence upon the Premises.

16.5 Cumulative Rights. The Owners' rights, powers, options, and remedies under this Lease are cumulative.

17. WAIVER OF CONDITIONS OR COVENANTS: Any waiver by Owners of any breach of any one or more of the covenants, conditions, terms, and agreements of this Lease will not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor will any failure on the part of Owners to require exact, full, and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as a change of terms of this Lease, nor may the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Owners and Tenant. No delay, failure, or omission of Owners to re-enter the demised premises or to exercise any right, power, privilege, or option, arising from any default will impair any such right, power, privilege, or option or to be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. (No notice to Tenant is required to restore or revise "time is of the essence" after the waiver by Owners of any default.) No option, right, power, remedy, or privilege of Owners will be construed to have been exhausted by the exercise of such option, right, power, remedy, or privilege in one or more instances.

18. EMINENT DOMAIN:

18.1 If the whole or any portion of the Premises is taken under the power of eminent domain, then the term of this Lease will cease as to the taken portion from the day the possession of that portion is taken for any public purpose, and from that day Tenant may either cancel this Lease or continue in the possession of the remainder of the Premises under the terms of this Lease.

18.2 All damages awarded for a taking under eminent domain will belong to and be the property of the Owners, except that Owners will not be entitled to any portion of the award made for loss of structures, buildings, or other improvements or personal property, equipment, and trade fixtures belonging to Tenant immediately prior to the taking of possession by the condemning authority.

19. ASSIGNMENT/SUBLETTING:

- 19.1 Tenant shall not, without the prior written consent of Owners, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Lease or any interest, right, or privilege in this Lease, or sublet the whole or any portion of the Premises, or license the use of the Premises in whole or in part. Owners hereby expressly consent to the same concessionaire used by Tenant since December 2011 to operate the Equestrian Center on Tenant's behalf.
- 19.2 Neither this Lease nor any interest in it is assignable or transferable in proceedings in attachment or execution against Tenant, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Tenant, or by any process of law including proceedings under Chapter X and XI of the Bankruptcy Act.

20. GENERAL PROVISIONS:

- 20.1 Waiver: The waiver by Owners or Tenant of any term, covenant or condition contained in this Lease will not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition contained in this Lease.
- 20.2 Headings: The headings in this Lease are not a part of this Lease and will have no effect upon its construction or interpretation.
- 20.3 Time: Time is of the essence for this Lease and for each of its provisions in which performance is a factor.
- 20.4 Recordation: Any party may record this Lease or a memorandum of this Lease.
- 20.5 Binding on Successors: This Lease is binding upon and will inure to the benefit of the successors-in-interest of the Tenant, and whenever the context permits or requires, the successors-in-interest to the Owners.
- 20.6 Prior Agreements: This Lease contains all of the agreements of the parties with respect to the lease of the Premises by the Owners to the Tenant, and no prior agreements or understanding pertaining to the lease of the Premises will be effective for any purpose. This Lease may not be amended except by an agreement in writing signed by the parties or their respective successors-in-interest. This Lease will not be effective or binding on any party until fully executed by all parties.



- 20.7 Unavoidable Delay: Any prevention, delay, non-performance or stoppage due to any of the following causes will excuse non-performance by any party for a period equal to any such prevention, delay, non-performance or stoppage: strikes, lockouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, governmental restrictions or regulations or controls, casualties not contemplated by insurance provisions of this Lease, or other cause beyond the reasonable control of the party obligated to perform.
- 20.8 Signage: Tenant may place and maintain signs inside and outside the Premises at appropriate locations in order to direct persons for the delivery of services provided by Tenant hereunder. Tenant shall provide written notification to the Owners concerning the size, design, precise location, and means of attachment of outside and external signs, which will be subject to the consent of Owners or designees, which consent will be not be unreasonably withheld. Owners shall provide written approval or disapproval within 30 days after the receipt of a written request from Tenant. Failure by Owners to provide such written approval or disapproval within 30 days will be deemed disapproval.
- 20.9 Severability: If any provision of this Lease is judged to be invalid, void, or illegal, the remaining provisions will remain in full force and effect.
- 20.10 Cumulative Remedies: No remedy or election under this Lease is exclusive, but instead, wherever possible, will be cumulative with all other remedies at law or in equity.
- 20.11 Choice of Law: This Lease will be governed by the internal laws of the State of California.
- 20.12 Arbitration: In the event of any dispute regarding the terms, conditions, rights, or obligations of the parties under this Lease, the dispute may, at the request of any party, be submitted to arbitration in accordance with the provisions of Code of Civil Procedure Section 1280 *et seq.*, or its successor laws. For the purposes of any arbitration, the Chief Executive Office, Real Estate Division Chief, or his designee, with the assistance of County Counsel, will act on behalf of the County, and the Chief Engineer of the District, or his or her designee, with the assistance of District Counsel, will act on behalf of the District.

20.13 Prevailing Wages: If labor is required for any Work subject to the Prevailing Wage Law, Tenant shall pay no less than the prevailing wages ascertained and published by the State Department of Industrial Relations and on file with the County's Board of Supervisors, and Tenant shall cause notice of these wages to be posted as required by the Labor Code.

20.14 Interpretation: Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers include the other; (ii) the masculine, feminine and neuter genders include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

21. AUTHORITY TO BIND THE PARTIES: Each individual executing this Lease on behalf of the parties represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of his or her respective party, and that this Lease is binding upon the party in accordance with its terms. Only the Board of Supervisors of the County of Los Angeles has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. The parties understand that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegate (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals or terminating this Lease in the manner provided herein.
22. ADMINISTRATION: The Chief of the Real Estate Division of the County's Chief Executive Office or his or her authorized designee will administer this Lease on behalf of the County. The Chief Engineer and General Manager of the District, or his or her designee, will administer this Lease on behalf of the District.
23. COUNTY'S LOBBYISTS: Tenant and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010 retained by Tenant, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Tenant or any County lobbyist or County lobbying firm retained by Tenant to fully comply with County's Lobbyist Ordinance will constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.



24. NOTICES: Notices under this Lease must be sent in a sealed envelope with postage prepaid, via registered mail, return receipt requested, with the United States Postal Service. Addresses and persons to be notified may be changed by providing at least 10 days' written notice to the other party.

To Tenant:

City Manager  
City of Rolling Hills Estates  
4045 Palos Verdes Drive North  
Rolling Hills Estates, California 90274

To the County:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Division Chief

To the District:

County Sanitation District No. 2 of Los Angeles County  
Facilities Planning Department  
1955 Workman Mill Road  
P.O. Box 4998  
Whittier, California 90607-4998  
Attention: Planning Section Head

The parties are executing this Lease as of the date stated in the preamble.

ATTEST:

COUNTY OF LOS ANGELES

SACHI A. HAMAI  
Executive Officer, Board of Supervisors

By *[Signature]*  
Deputy

By *[Signature]*  
Chairman, Board of Supervisors

APPROVED AS TO FORM:

JOHN F. KRATTLI  
County Counsel

By *[Signature]*  
Deputy County Counsel

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By *[Signature]*  
Deputy



**ADOPTED**  
BOARD OF SUPERVISORS

*[Signature]*  
SACHI A. HAMAI

77903

COUNTY SANITATION DISTRICT NO. 2  
OF LOS ANGELES COUNTY

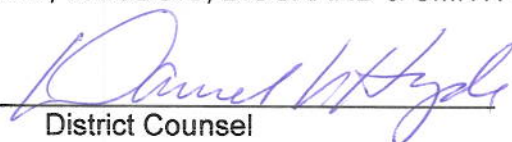
ATTEST:

Kimberly S. Conpton  
Secretary

By   
Chairperson **PRO TEM**  
NOV 28 2012

APPROVED AS TO FORM:

LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By   
District Counsel

CITY OF ROLLING HILLS ESTATES

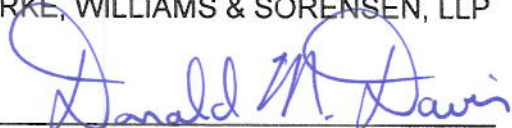
ATTEST:

By   
City Clerk

By   
Mayor

APPROVED AS TO FORM:

BURKE, WILLIAMS & SORENSEN, LLP

By   
City Attorney



**Exhibit A**  
**Legal Description**

4821-0189-4417.2

LA #4821-4567-6816 v1

## EXHIBIT "A"

### PETER WEBER EQUESTRIAN CENTER

#### LEGAL DESCRIPTION OF ORIGINAL AREA AND THREE ADDITIONAL AREAS

THOSE PORTIONS OF LOTS 13 AND 14 OF L.A.C.A. MAP NO. 51, IN THE CITY OF ROLLING HILLS ESTATES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1, PAGE 1 OF ASSESSOR'S MAP, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE CENTERLINE OF CRENSHAW BOULEVARD SHOWN AS "N80°14'01E-1021.66" ON CSB-1504-1 ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY, SAID COURSE HAVING THE BEARING OF NORTH 80°15'33" EAST FOR THE PURPOSE OF THIS LEGAL DESCRIPTION;

THENCE NORTHWESTERLY AT RIGHT ANGLES TO SAID CENTERLINE, NORTH 9°44'27" WEST, 50.00 FEET TO A POINT ON THE NORTHWESTERLY LINE OF CRENSHAW BOULEVARD AS SHOWN ON SAID CSB-1504-1, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1050.00 FEET, BEING THE TRUE POINT OF BEGINNING;

THENCE:

1. WESTERLY ALONG SAID CURVE AND NORTHWESTERLY LINE, 262.98 FEET THROUGH A CENTRAL ANGLE OF 14°21'01" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 35°04'32" EAST;
2. THENCE LEAVING SAID NORTHWESTERLY LINE AND WESTERLY ALONG SAID LAST MENTIONED CURVE, 19.16 FEET THROUGH A CENTRAL ANGLE OF 36°35'35";
3. THENCE SOUTH 88°28'57" WEST, 7.17 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 60.00 FEET;
4. THENCE NORTHWESTERLY ALONG SAID CURVE, 61.63 FEET THROUGH A CENTRAL ANGLE OF 58°51'07";
5. THENCE NORTH 32°39'57" WEST, 14.78 FEET;
6. THENCE NORTH 48°54'19" WEST, 462.67 FEET;
7. THENCE NORTH 24°27'00" WEST, 238.79 FEET;
8. THENCE SOUTH 04°11'40" EAST, 55.87 FEET;
9. THENCE NORTH 07°48'50" WEST, 41.42 FEET;
10. THENCE NORTH 52°48'03" EAST, 157.05 FEET;
11. THENCE SOUTH 66°35'04" EAST, 41.42 FEET;
12. THENCE SOUTH 56°50'14" EAST, 202.57 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 60.00 FEET;

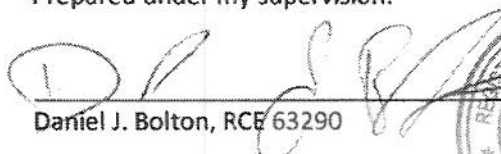



13. THENCE SOUTHEASTERLY ALONG SAID CURVE, 38.58 FEET THROUGH A CENTRAL ANGLE OF 36°50'37";
14. THENCE SOUTH 19°59'37" EAST, 98.16 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 130.00 FEET;
15. THENCE SOUTHEASTERLY ALONG SAID CURVE, 88.07 FEET THROUGH A CENTRAL ANGLE OF 38°48'52';
16. THENCE SOUTH 58°48'29" EAST, 406.05 FEET;
17. THENCE SOUTH 67°44'14" EAST, 36.97 FEET;
18. THENCE SOUTH 67°38'57" EAST, 42.02 FEET;
19. THENCE SOUTH 79°59'53" EAST, 42.88 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 871.74 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 07°49'43" EAST;
20. THENCE SOUTHERLY ALONG SAID CURVE 254.74 FEET THROUGH A CENTRAL ANGLE OF 16°44'34";
21. THENCE NON-TANGENT SOUTH 07°54'17" EAST, 56.78 FEET TO THE NORTHWESTERLY LINE OF CRENSHAW BOULEVARD;
22. THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 80°14'01" WEST, 346.85 FEET;
23. THENCE ALONG THE NORTHWESTERLY LINE OF CRENSHAW BOULEVARD SOUTH 80°15'33" WEST, 34.14 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINS 310,687 SQUARE FEET, MORE OR LESS.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Prepared under my supervision:

  
Daniel J. Bolton, RCE 63290

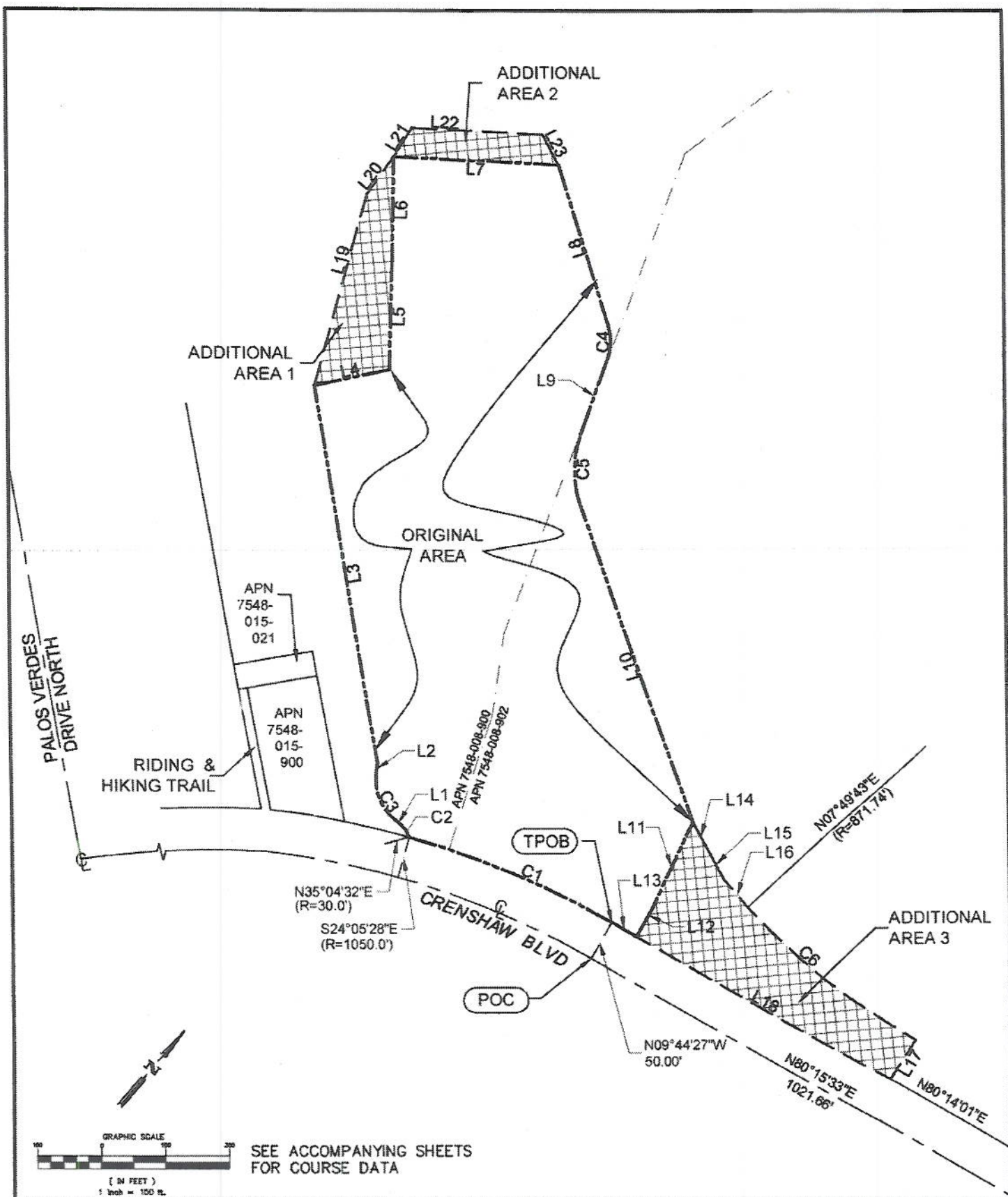


**Exhibit B**  
**Depiction**

4821-0189-4417.2

LA #4821-4567-6816 v1





<b>Title:</b> <b>EXHIBIT "B"</b>	<b>Client:</b> <b>Peter Weber Equestrian Center</b> 26401 Crenshaw Blvd. Rolling Hills Estates, Ca. 90505	<b>Bolton Engineering Corp.</b> 25834 Narbonne Avenue Ste. 210 Lomita, Ca. 90717 (310) 325-5580 FAX(310) 325-5581	<b>Date:</b> Sept. 19, 2012 <b>Drawn:</b> TMN <b>Job:</b> 10385 <b>Sheet:</b> 1 of 2
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Parcel Table			
Line #/Curve #	Length	Direction/Delta	Radius
C1	262.98	14° 21' 01"	1050.000
C2	19.16	36° 35' 35"	30.000
L1	7.17	S88° 28' 57"W	
C3	61.63	58° 51' 07"	60.000
L2	14.76	N32° 39' 57"W	
L3	462.67	N48° 54' 19"W	
L4	91.63	N38° 06' 38"E	
L5	129.11	N38° 04' 41"W	
L6	127.47	N38° 47' 04"W	
L7	197.70	N52° 48' 03"E	
L8	202.57	S56° 50' 14"E	
C4	38.58	36° 50' 37"	60.000
L9	98.16	S19° 59' 37"E	
C5	88.07	38° 48' 52"	130.000
L10	406.05	S58° 48' 29"E	
L11	120.47	S14° 07' 31"E	
L12	33.76	S09° 44' 27"E	
L13	34.14	S80° 15' 33"W	
L14	36.97	S67° 44' 14"E	
L15	42.02	S67° 38' 57"E	
L16	42.88	S79° 59' 53"E	
C6	254.74	16° 44' 34"	871.740
L17	56.78	S07° 54' 17"E	
L18	346.85	S80° 14' 01"W	
L19	238.79	N24° 27' 00"W	
L20	55.87	S04° 11' 40"E	
L21	41.42	N07° 48' 50"W	
L22	157.05	N52° 48' 03"E	
L23	41.42	S66° 35' 04"E	

Title:  
**EXHIBIT "B"**

Client:  
**Peter Weber Equestrian Center**  
26401 Crenshaw Blvd.  
Rolling Hills Estates, Ca. 90505



**Bolton Engineering Corp.**  
25834 Norbonne Avenue Ste. 210  
Lomita, Ca. 90717  
(310) 325-5580 FAX(310) 325-5581

Date: Sept. 18, 2012

Drawn: TMN

Job: 10385

Sheet 2 of 2



98 2340919

RECORDING REQUESTED BY:

County of Los Angeles  
Department of Parks and Recreation  
Attention: Director  
433 South Vermont  
Los Angeles, CA 90020

RECORDED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
1:01 PM DEC 28 1998

WHEN RECORDED MAIL TO:

Attention: Greg Holmes  
California Environmental Protection Agency  
Department of Toxic Substances Control  
5796 Corporate Avenue  
Cypress, CA 90630

FREE F 10

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY  
ENVIRONMENTAL RESTRICTION

(RE: Portions of the Former Palos Verdes Landfill, Specifically Parcel 2)

This Covenant and Agreement ("Covenant") has an effective date of December 21, 1998, by and between the County of Los Angeles, and its successors and assigns (the "Covenantor"), the current owner of the subject property to be restricted herein, and the California Environmental Protection Agency, Department of Toxic Substances Control (the "Department"), the government agency with statutory oversight responsibility with respect to hazardous materials response actions at the subject property. The Covenantor and Department may be collectively referred to herein as the "Parties". This Covenant is made with reference to the following facts:

- A. The Restricted Property (as defined in Exhibit "A") is a portion of the site of the former Palos Verdes Landfill (25706 Hawthorne Boulevard, Rolling Hills Estates), located in the area now generally bounded by the City of Palos Verdes Estates boundary on the west, the City of Torrance boundary on the north, Rolling Hills Road on the east, and residential properties of the City of Rolling Hills Estates on the south, County of Los Angeles, State of California (the "Site").
- B. The area of the Site to be restricted herein ("Restricted Property"), totaling approximately 67 acres, is more particularly described and depicted in Exhibit "A" (portion of Lot 14 of L.A.C.A. No. 51, County of Los Angeles, state of California, as per map recorded in book 1, page 1 of Assessor's Maps, in the office of the county recorder of said county) attached hereto and incorporated herein by this reference. From May 15, 1957, to December 31, 1980, County Sanitation District No. 2 of Los Angeles County ("Sanitation District") operated the Restricted Property as a permitted Class I and Class II landfill pursuant to Joint Powers Agreements with the Covenantor.

November 24, 1998

- C. During its operation, the Site accepted hazardous materials as defined in California Health and Safety Code ("H&S Code") §25260 ("Hazardous Substances") in areas permitted for Class 1 disposal. The types of hazardous materials accepted include oily wastes, hazardous tank bottoms, acid and alkaline wastes, brine, and other hazardous wastes. These hazardous materials made up 3 to 4 percent of the total 23.6 million tons of waste materials accepted for disposal at the Site.
- D. On March 31, 1988, the Department's predecessor in interest (California Department of Health Services) and the Sanitation District, entered into an Enforceable Agreement pursuant to H&S Code §§ 25355.5(a)(1)(C). The purpose of this Enforceable Agreement was "to ensure that any release or potential release of hazardous substances or contaminants to the air, soil, surface water or ground water at or from the Landfill are thoroughly investigated and appropriately remediated." As required by the Enforceable Agreement, the Sanitation District conducted a Remedial Investigation (RI) and Feasibility Study (FS) and prepared a Remedial Action Plan (RAP) for the Site. The Department approved the RI, the FS, and the RAP. Based on the site specific risk assessment presented in the RI, the potential exposures and estimated risks are below Department threshold levels. Ground water in the area of the Site is not currently being used, and ground water models show that the risks to drinking water supplies are below Department levels of concern. Control of down gradient concentrations of contaminants in ground water to current or lower levels was selected as the remedial action objective to ensure that risks from ground water will be controlled to acceptable levels in the future. The Department approved the remedial action selected in the RAP, and approved the installation of vertical extraction wells for implementation of the selected remedial action.
- E. As of 1998, land use within a one (1) mile radius of the Restricted Property consists predominantly of low-density residential use. Some areas located to the northeast and east of the Site are zoned for commercial and manufacturing use. The Torrance Municipal Airport is located approximately one-half mile to the northeast of the Site. Residential properties are located contiguous to the Site along most of the property boundaries. The nearest school is an elementary school located approximately 800 feet to the southwest of the Site.
- F. The Department is the state agency having the authority and jurisdiction to remediate the release or threatened release of hazardous waste and their constituents into the environment pursuant to Chapter 6.5, Health and Safety Code Section 25160 et seq.; and to remediate the release or threatened release of hazardous substances and pollutants into the environment pursuant to Chapter 6.8, Health and Safety Code Section 25360 et seq.
- G. This Covenant does not nullify or otherwise modify any releases from liability granted by the Department pursuant to H&S Code §§ 25364 and 25364.1 or other law of similar import.
- H. As of the date of recording of this Covenant, the Department requires no further response action for remediation of the Restricted Property, other than implementation of the RAP-selected remedy.
- I. Pursuant to California Civil Code § 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in H&S Code § 25260.

#### ARTICLE I PARAMETERS OF COVENANT

1. Restrictions to Run With the Land. This Covenant sets forth protective covenants, restrictions, and conditions (collectively referred to as "Restrictions"), upon and subject to which the Restricted Property and every portion of



thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every of the Restrictions: (a) shall run with the land, (b) shall inure to the benefit of and pass with each and every portion of the Restricted Property, (c) shall apply to and bind the respective successors in interest to the Restricted Property, (d) are for the benefit of, and shall be enforceable by, the Department, (e) are imposed upon the entire Restricted Property unless expressly stated as applicable only to a specific portion thereof.

2. **Covenants of Owners/Occupants.** Each and every owner ("Owner" shall mean the Covenantor or its successors in interest, including heirs and assigns, who hold title to all or any portion of the Restricted Property) and occupants ("Occupants" shall mean lessees or other possessors of any portion of the Restricted Property) during the term of their ownership or possession, shall be deemed to be in accord with this Covenant and shall further be deemed to unconditionally agree, for and among themselves, their heirs, successors, and assigns (and for any agents thereof), to the Restrictions as herein established (such that their interest(s) and/or possessory rights in the Restricted Property are taken subject to such Restrictions). Pursuant to California Civil Code §1471(b), all successive owners of the Restricted Property during the term of their ownership are expressly bound hereby for the benefit of the covenantor(s) herein.

## ARTICLE II RESTRICTIONS

3. **Incorporation into Deeds and Leases.** Covenantor agrees that the Restrictions set forth herein shall be hereafter incorporated by reference in each and all deeds, and leases to Occupants, for any portion of the Restricted Property.

4. **Restrictions on Use.** Covenantor agrees to restrict the use of the Restricted Property in accordance with the restrictions set forth herein in order to protect the present and future public health and safety from potential harm to persons which may result from hazardous substances which exist on the Restricted Property. The Restrictions provided herein shall apply only to the Restricted Property. Covenantor agrees not to construct or place a building or structure on the Restricted Property for use for, or allow the new use of an existing structure for, any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as permanently-occupied residential human habitation.
- (b) A long-term care hospital for humans. Nothing herein shall restrict use of the Restricted Property for any infirmary, medical aid station, or emergency medical care facility where there is no intent for any patient to remain in such facility for more than 24 hours.
- (c) A traditional public or private school for persons under 21 years of age. Nothing herein shall restrict use of the Restricted Property for any specialized training programs or short-term classes or camps for persons regardless of age.
- (d) A long-term day care center for children. Nothing herein shall restrict use of the Restricted Property for any special camp or occasional day care facility for children in conjunction with adult lessons or specialized training programs.
- (e) Any use that prevents access to or hinders operation of any component of the remediation or monitoring systems present on the Restricted Property pursuant to the requirements of the

Department. Nothing herein shall restrict access to or use of areas where remediation or monitoring systems were removed as approved by the Department.

Except as provided for in paragraph 8, nothing herein shall be construed to restrict the development of the Site for park and recreational purposes within the above restrictions. Except as provided for in paragraph 8, nothing herein shall be construed to restrict, prevent, or otherwise limit, the ability of the Sanitation District to construct, operate, and maintain on the Site any of the facilities, systems, or environmental control systems provided for in the Palos Verdes Landfill Joint Powers Agreement, the Operation and Maintenance Enforceable Agreement for the Palos Verdes Landfill Main Site, or any other similar or related agreement or regulatory authority.

5. **Notice in Agreements.** Covenantor agrees to furnish in writing to Occupants and/or to its successor in interest to any part of the Restricted Property, as either part of another written agreement (e.g., a lease), or as a stand alone instrument, the following statement:

"All or a portion of the land described herein contains hazardous substances. Such condition renders the land and the owner, lessee, or other possessor of the land subject to requirements, restrictions, provisions, and liabilities contained in Chapter 6.5 and 6.8 of Division 20 of the California Health and Safety Code. This statement is not a declaration that a hazard exists and does not address the liability of any party. Such portions of the land described herein have been subject of a remediation overseen by the California Department of Toxic Substances Control pursuant to a Remedial Action Plan (RAP). The remediation facilities in use at the site as well as the monitoring systems, must not be altered, disturbed, hindered, or damaged in any way. Nothing shall be done by the owners or occupants to restrict, prevent, or otherwise limit, the ability of the Sanitation District to construct, operate, and maintain on the Site any of the facilities, systems, or environmental control systems provided for in the Palos Verdes Landfill Joint Powers Agreement, the Enforceable Agreement, or the Operation and Maintenance Agreement for the Palos Verdes Landfill Main Site, or any other similar or related agreement or regulatory authority."

6. **Conveyance of Restricted Property.** Covenantor agrees to provide notice to the Department within thirty (30) days of any conveyance of any ownership interest in the Restricted Property (including mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect such proposed conveyance, except as otherwise provided by law, or by administrative order.

7. **Failure to Comply.** Failure of the Covenantor or any of the Owners or Occupants to comply with the use Restrictions of this Covenant shall be the grounds for the Department to require the Owner(s) or Occupant(s) to modify or remove any operations or improvements that are not consistent with the Restrictions on the Property as defined herein in Section 4.

8. **Reservation of Rights.** Moreover, nothing in this Covenant is intended or shall be construed to alter the legal authority of the Department to issue any orders or take any action to respond to the threat of release(s) of hazardous materials into the environment. The Department shall have the express right under this Covenant to enter and inspect the Property, during normal business hours with reasonable advance notice and by walking or use of a vehicle compatible with Site development and that does not disrupt Site operations, to enforce the terms and conditions of this Covenant. However, nothing herein shall be construed to impair, limit, or prejudice the Department's authority to enter or inspect property which is otherwise law by operation of law.



**ARTICLE III  
VARIANCE, TERMINATION, AND TERM**

9. **Variance.** Covenantor, any Owner, and/or, with the Owner's written consent, any Occupant of the Restricted Property or any portion thereof may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&S Code §25233 and/or other appropriate statutory authorization(s) then in effect.
10. **Termination.** Covenantor, any Owner, and/or, with the Owner's written consent, any Occupant of the Restricted Property or any portion thereof, may apply to the Department for a termination of the Restrictions or other term of this Covenant as they apply to all or any portion of the Restricted Property. Such application shall be made in accordance with H&S Code §25234 and/or other appropriate statutory authorization(s) then in effect.
11. **Term.** Unless ended in accordance with the "termination" paragraph above, by law, or by other valid method, this Covenant shall continue in effect in perpetuity.

**ARTICLE IV  
MISCELLANEOUS**

12. **No Dedication Intended.** Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Site, Restricted Property, or any portion thereof to the general public or anyone else for any purpose whatsoever. In addition, nothing in this Covenant shall be deemed to constitute a covenant, encumbrance, or restriction on the use of any property other than the Restricted Property.
13. **Headings.** Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the Parties and are not a part of the Covenant.
14. **Code References.** All references to Code sections include successor provisions, if any.
15. **Department References.** All references to the Department include successor agencies/departments or other successor entity.
16. **Recording.** The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.
17. **Notice.** Whenever any person gives or serves any notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid certified, return receipt requested.

To Covenantor: County of Los Angeles  
Department of Parks and Recreation  
Attention: Director  
433 South Vermont  
Los Angeles, CA 90020

98 2340919

To Department: Department of Toxic Substances Control  
Region 4, Site Mitigation Cleanup Operations  
3796 Corporate Avenue  
Cypress, CA 90630

Any party may change or add to its address or the individual to whom attention a notice is to be sent by giving such written notice in compliance with the provisions of this section.

18. **Partial Invalidity.** If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

19. **Authority to Bind.** Each of the undersigned signatories certifies that he or she has the authority to enter into this Covenant on behalf of their respective party and legally bind said party to the terms and conditions of this Covenant.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles, California, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the Board of Supervisors.

"COVENANTOR"



COUNTY OF LOS ANGELES

Date: December 21, 1998

Chair, Board of Supervisors

Approved as to form:  
LLOYD PELLMAN  
County Counsel

By:   
Principal Deputy County Counsel

November 10, 1998

98 2340919



"DEPARTMENT"

CALIFORNIA ENVIRONMENTAL PROTECTION  
AGENCY, DEPARTMENT OF TOXIC SUBSTANCES  
CONTROL

Date: 12/23, 1998

By: H. I. S.  
Hamid Saeifar, Chief  
Site Mitigation Cleanup Operations  
Southern California Branch A  
Region 4

98 2340919



STATE OF CALIFORNIA  
COUNTY OF

Los Angeles

ss.

On December 22, 1998, before me, Barrie Corenman  
personally appeared Hamid Saebfar

\_\_\_\_\_, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



(This area for official notarial seal)

Title of Document	<u>Covenant to Restrict Use of Property</u>		
Date of Document	<u>12-22-98</u>	No. of Pages	<u>3</u>
Other signatures not acknowledged	<u>N</u>		

98 2840919  
First American Title Insurance Company



EXHIBIT "A"

LEGAL DESCRIPTION OF PALOS VERDES LANDFILL

PARCEL 2

All of that portion of Lot 14 of Los Angeles County Assessor's Map No. 51, in the County of Los Angeles, State of California, as shown on map recorded in Book 1, Page 1 of Assessor's Map, in the office of the Recorder of the County of Los Angeles, within the following described boundary:

Parcel No. 2

Beginning at a point in the northwesterly line of an 80.00 foot strip of land described in deed to said County of Los Angeles recorded as document No. 4195, on November 9, 1954, in Book 46064, Page 327, Official Records of said County, distant thereon South 49° 54' 45" West 601.65 feet from the intersection thereof with the northwesterly boundary of said Lot 14; thence, along said northwesterly line, South 49° 54' 45" West 541.98 feet and southwesterly along a curve concave northwesterly and having a radius of 960.00 feet, a distance of 500.40 feet to the southwesterly end thereof and a point on the northwesterly line of Crenshaw Boulevard described as Parcel A in deed to said County of Los Angeles, recorded as document No. 3752 on March 2, 1950, in Book 32445, Page 154 of Official Records of said County; thence along the last mentioned northwesterly line, South 80° 15' 20" West 1021.15 feet, more or less, to the beginning of a tangent curve therein which is concave southeasterly and has a radius of 1040.00 feet, and northwesterly along said last mentioned curve a distance of 213.95 feet; thence leaving said northwesterly line, North 21° 31' 52" West, along a line which is radial to said last mentioned curve, a distance of 434.78 feet; thence North 31° 01' 26" West 101.70 feet; thence North 8° 37' 00" West 330.00 feet; thence North 19° 07' 00" West 290.00 feet; thence North 13° 49' 00" East 126.00 feet; thence North 68° 19' 00" East 520.00 feet; thence East 209.55 feet; thence North 0° 09' 23" West 347.00 feet to the beginning of a tangent curve concave westerly and having a radius of 330.00 feet; thence northerly along said last mentioned curve 125.64 feet; thence North 31° 27' 15" West 336.16 feet; thence North 27° 44' 30" West 137.86 feet to the beginning of a tangent curve concave southwesterly and having a radius of 530.00 feet; thence northwesterly along said last mentioned curve 126.80 feet; thence North 41° 26' 56" West 68.50 feet to the beginning of a tangent curve concave easterly and having a radius of 170.00 feet; thence northerly along said last mentioned curve 152.48 feet; thence North 9° 56' 34" East 281.97 feet; thence South 80° 03' 26" East 86.38 feet; thence South 44° 41' 12" East 900.00 feet; thence North 146.76 feet; thence South 44° 41' 05" East 1821.45 feet, more or less, to the point of beginning.

Containing 67.02 acres.

## EXHIBIT "A"

## LEGAL DESCRIPTION OF PALOS VERDES LANDFILL

## PARCEL 2

All of that portion of Lot 14 of Los Angeles County Assessor's Map No. 51, in the County of Los Angeles, State of California, as shown on map recorded in Book 1, Page 1 of Assessor's Map, in the office of the Recorder of the County of Los Angeles, within the following described boundary:

Parcel No. 2

Beginning at a point in the northwesterly line of an 80.00 foot strip of land described in deed to said County of Los Angeles recorded as document No. 4195, on November 9, 1954, in Book 46064, Page 327, Official Records of said County, distant thereon South 49° 54' 45" West 601.65 feet from the intersection thereof with the northwesterly boundary of said Lot 14; thence, along said northwesterly line, South 49° 54' 45" West 541.88 feet and southeasterly along a curve concave northwesterly and having a radius of 960.00 feet, a distance of 508.40 feet to the southwesterly end thereof and a point on the northwesterly line of Crosshew Boulevard described as Parcel A in deed to said County of Los Angeles, recorded as document No. 3752 on March 2, 1950, in Book 32445, Page 154 of Official Records of said County; thence along the last mentioned northwesterly line, South 80° 15' 20" West 1021.15 feet, more or less, to the beginning of a tangent curve therein which is concave southeasterly and has a radius of 1000.00 feet, and southwesterly along said last mentioned curve a distance of 213.95 feet; thence leaving said northwesterly line, North 21° 31' 52" West, along a line which is radial to said last mentioned curve, a distance of 134.78 feet; thence North 31° 01' 29" West 101.70 feet; thence North 8° 37' 00" West 330.00 feet; thence North 19° 07' 00" West 290.00 feet; thence North 13° 49' 00" East 126.00 feet; thence North 68° 19' 00" East 520.00 feet; thence East 2° 19.85 feet; thence North 0° 09' 23" West 347.05 feet to the beginning of a tangent curve concave westerly and having a radius of 230.00 feet; thence northerly along said last mentioned curve 175.64 feet; thence North 31° 27' 15" West 356.16 feet; thence North 27° 44' 30" West 137.86 feet to the beginning of a tangent curve concave southwesterly and having a radius of 530.00 feet; thence northwesterly along said last mentioned curve 126.00 feet; thence North 41° 26' 36" West 68.30 feet to the beginning of a tangent curve concave easterly and having a radius of 170.00 feet; thence northerly along said last mentioned curve 152.48 feet; thence North 9° 56' 34" East 281.97 feet; thence South 80° 03' 26" East 84.38 feet; thence South 44° 41' 12" East 900.00 feet; thence North 146.76 feet; thence South 44° 41' 05" East 1821.45 feet, more or less, to the point of beginning.

Containing 67.02 acres.

98 2340919



**Exhibit D**  
**District's Covenant**

4821-0189-4417.2

LA #4821-4567-6816 v1

98 2340917

RECORDING REQUESTED BY:

Attention: Charles W. Carry  
Chief Engineer and  
General Manager  
County Sanitation Districts  
of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601-1400

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA

1:01 PM DEC 28 1998

WHEN RECORDED MAIL TO:

Attention: Greg Holmes  
California Environmental Protection Agency  
Department of Toxic Substances Control  
5796 Corporate Avenue  
Cypress, CA 90630

FREE F

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SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY  
ENVIRONMENTAL RESTRICTION

(RE: Portions of the Former Palos Verdes Landfill, Specifically Parcels 3, 5, and 6)

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CONTINUED ON NEXT PAGE



2

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Attention: Charles W. Carry, Chief Engineer and General Manager  
County Sanitation Districts of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601-1400

**WHEN RECORDED MAIL TO:**

Attention: Greg Holmes  
California Environmental Protection Agency  
Department of Toxic Substances Control  
5796 Corporate Avenue  
Cypress, CA 90630

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE *CSD Center #3520*  
*auth by Board 6-25-97*

**COVENANT TO RESTRICT USE OF PROPERTY  
ENVIRONMENTAL RESTRICTION**

(RE: Portions of the Former Palos Verdes Landfill, Specifically Parcels 3, 5, and 6)

This Covenant and Agreement ("Covenant") has an effective date of December 22 1998, by and between the County Sanitation District No. 2 of Los Angeles County ("Sanitation District"), and its successors and assigns (the "Covenantor"), the current owner of the subject property to be restricted herein, and the California Environmental Protection Agency, Department of Toxic Substances Control (the "Department"), the government agency with statutory oversight responsibility with respect to hazardous materials response actions at the subject property. The Covenantor and Department may be collectively referred to herein as the "Parties". This Covenant is made with reference to the following facts:

- A. The Restricted Property (as defined in exhibit "A") is a portion of the site of the former Palos Verdes Landfill (25706 Hawthorne Boulevard, Rolling Hills Estates), located in the area now generally bounded by the City of Palos Verdes Estates boundary on the west, the City of Torrance boundary on the north, Rolling Hills Road on the east, and residential properties of the City of Rolling Hills Estates on the south, County of Los Angeles, State of California (the "Site").
- B. The area of the Site to be restricted herein ("Restricted Property"), totaling approximately 106 acres, is more particularly described and depicted in Exhibit "A" (portion of Lot 14 of L.A.C.A. No. 51, in the city of Rolling Hills Estates, county of Los Angeles, state of California, as per map recorded in book 1, page 1 of Assessor's Maps, in the office of the county recorder of said county) attached hereto and incorporated herein by this reference. From May 15, 1957, to December 31, 1980, the Sanitation District operated the Restricted Property as a permitted Class I and Class II landfill pursuant to Joint Powers Agreements with County of Los Angeles.

- C. During its operation, the Site accepted hazardous materials as defined in California Health and Safety Code ("H&S Code") §25260 ("Hazardous Substances") in areas permitted for Class I disposal. The types of hazardous materials accepted include oily wastes, hazardous tank bottoms, acid and alkaline wastes, brine, and other hazardous wastes. These hazardous materials made up 3 to 4 percent of the total 23.6 million tons of waste materials accepted for disposal at the Site. 3
- D. On March 31, 1988, the Department's predecessor in interest (California Department of Health Services) and the Sanitation District, entered into an Enforceable Agreement pursuant to H&S Code §§ 25355.5(a)(1)(C). The purpose of this Enforceable Agreement was "to ensure that any release or potential release of hazardous substances or contaminants to the air, soil, surface water or ground water at or from the Landfill are thoroughly investigated and appropriately remediated." As required by the Enforceable Agreement, the Sanitation District conducted a Remedial Investigation (RI) and Feasibility Study (FS) and prepared a Remedial Action Plan (RAP) for the Site. The Department approved the RI, the FS, and the RAP. Based on the site specific risk assessment presented in the RI, the potential exposures and estimated risks are below Department threshold levels. Ground water in the area of the Site is not currently being used, and ground water models show that the risks to drinking water supplies are below Department levels of concern. Control of down gradient concentrations of contaminants in ground water to current or lower levels was selected as the remedial action objective to ensure that risks from ground water will be controlled to acceptable levels in the future. The Department approved the remedial action selected in the RAP, and approved the installation of vertical extraction wells for implementation of the selected remedial action.
- E. As of 1998, land use within a one (1) mile radius of the Restricted Property consists predominately of low-density residential use. Some areas located to the northeast and east of the Site are zoned for commercial and manufacturing use. The Torrance Municipal Airport is located approximately one-half mile to the northeast of the Site. Residential properties are located contiguous to the Site along most of the property boundaries. The nearest school is an elementary school located approximately 800 feet to the southwest of the Site.
- F. The Department is the state agency having the authority and jurisdiction to remediate the release or threatened release of hazardous waste and their constituents into the environment pursuant to Chapter 6.5, Health and Safety Code Section 25100 et seq.; and to remediate the release or threatened release of hazardous substances and pollutants into the environment pursuant to Chapter 6.8, Health and Safety Code Section 25300 et seq.;
- G. This Covenant does not nullify or otherwise modify any releases from liability granted by the Department pursuant to H&S Code §§ 25364 and 25364.1 or other law of similar import.
- H. As of the date of recording of this Covenant, the Department requires no further response action for remediation of the Restricted Property, other than implementation of the RAP-selected remedy.
- I. Pursuant to California Civil Code § 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in H&S Code § 25260.

#### ARTICLE I PARAMETERS OF COVENANT

1. Restrictions to Run With the Land. This Covenant sets forth protective covenants, restrictions, and conditions (collectively referred to as "Restrictions"), upon and subject to which the Restricted Property and every portion of



thereof shall be improved, hold, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every of the Restrictions: (a) shall run with the land, (b) shall inure to the benefit of and pass with each and every portion of the Restricted Property, (c) shall apply to and bind the respective successors in interest to the Restricted Property, (d) are for the benefit of, and shall be enforceable by, the Department, (e) are imposed upon the entire Restricted Property unless expressly stated as applicable only to a specific portion thereof.

2. Concurrence of Owners/Occupants. Each and every owner ("Owner" shall mean the Covenantor or its successors in interest, including heirs and assigns, who hold title to all or any portion of the Restricted Property) and occupants ("Occupants" shall mean lessees or other possessors of any portion of the Restricted Property) during the term of their ownership or possession, shall be deemed to be in accord with this Covenant and shall further be deemed to unconditionally agree, for and among themselves, their heirs, successors, and assignees (and for any agents thereof), to the Restrictions as herein established (such that their interest(s) and/or possessory rights in the Restricted Property are taken subject to such Restrictions). Pursuant to California Civil Code §1471(b), all successive owners of the Restricted Property during the term of their ownership are expressly bound hereby for the benefit of the covenantee(s) herein.

## ARTICLE II RESTRICTIONS

3. Incorporation into Deeds and Leases. Covenantor agrees that the Restrictions set forth herein shall be hereafter incorporated by reference in each and all deeds, and leases to Occupants, for any portion of the Restricted Property.

4. Restrictions on Use. Covenantor agrees to restrict the use of the Restricted Property in accordance with the restrictions set forth herein in order to protect the present and future public health and safety from potential harm to persons which may result from hazardous substances which exist on the Restricted Property. The Restrictions provided herein shall apply only to the Restricted Property. Covenantor agrees not to construct or place a building or structure on the Restricted Property for use for, or allow the new use of an existing structure for, any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as permanently-occupied residential human habitation.
- (b) A long-term care hospital for humans. Nothing herein shall restrict use of the Restricted Property for any infirmary, medical aid station, or emergency medical care facility where there is no intent for any patient to remain in such facility for more than 24 hours.
- (c) A traditional public or private school for persons under 21 years of age. Nothing herein shall restrict use of the Restricted Property for any specialized training programs or short-term classes or camps for persons regardless of age.
- (d) A long-term day care center for children. Nothing herein shall restrict use of the Restricted Property for any special camp or occasional day care facility for children in conjunction with adult lessons or specialized training programs.
- (e) Any use that prevents access to or hinders operation of any component of the remediation or monitoring systems present on the Restricted Property pursuant to the requirements of the



Department. Nothing herein shall restrict access to or use of areas where remediation or monitoring systems were removed as approved by the Department.

5

Except as provided for in paragraph 8, nothing herein shall be construed to restrict the development of the Site for park and recreational purposes within the above restrictions. Except as provided for in paragraph 8, nothing herein shall be construed to restrict, prevent, or otherwise limit, the ability of the Sanitation District to construct, operate, and maintain on the Site any of the facilities, systems, or environmental control systems provided for in the Palos Verdes Landfill Joint Powers Agreement, the Operation and Maintenance Enforceable Agreement for the Palos Verdes Landfill Main Site, or any other similar or related agreement or regulatory authority.

5. Notice in Agreements. Covenantor agrees to furnish in writing to Occupants and/or to its successor in interest to any part of the Restricted Property, as either part of another written agreement (e.g., a lease), or as a stand alone instrument, the following statement:

"All or a portion of the land described herein contains hazardous substances. Such condition renders the land and the owner, lessee, or other possessor of the land subject to requirements, restrictions, provisions, and liabilities contained in Chapter 6.5 and 6.8 of Division 20 of the California Health and Safety Code. This statement is not a declaration that a hazard exists and does not address the liability of any party. Such portions of the land described herein have been subject of a remediation overseen by the California Department of Toxic Substances Control pursuant to a Remedial Action Plan (RAP). The remediation facilities in use at the site as well as the monitoring systems, must not be altered, disturbed, hindered, or damaged in any way. Nothing shall be done by the owners or occupants to restrict, prevent, or otherwise limit, the ability of the Sanitation District to construct, operate, and maintain on the Site any of the facilities, systems, or environmental control systems provided for in the Palos Verdes Landfill Joint Powers Agreement, the Enforceable Agreement, or the Operation and Maintenance Agreement for the Palos Verdes Landfill Main Site, or any other similar or related agreement or regulatory authority."

6. Conveyance of Restricted Property. Covenantor agrees to provide notice to the Department within thirty (30) days of any conveyance of any ownership interest in the Restricted Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect such proposed conveyance, except as otherwise provided by law or by administrative order.

7. Failure to Comply. Failure of the Covenantor or any of the Owners or Occupants to comply with the use Restrictions of this Covenant shall be the grounds for the Department to require the Owner(s) or Occupant(s) to modify or remove any operations or improvements that are not consistent with the Restrictions on the Property as defined herein in Section 4.

8. Reservation of Rights. Moreover, nothing in this Covenant is intended or shall be construed to alter the legal authority of the Department to issue any orders or take any action to respond to the threat of release(s) of hazardous materials into the environment. The Department shall have the express right under this Covenant to enter and inspect the Property, during normal business hours with reasonable advance notice and by walking or use of a vehicle compatible with Site development and that does not disrupt Site operations, to enforce the terms and conditions of this Covenant. However, nothing herein shall be construed to impair, limit, or prejudice the Department's authority to enter or inspect property which it otherwise has by operation of law.

6

**ARTICLE III**  
**VARIANCE, TERMINATION, AND TERM**

9. Variance. Covenantor, any Owner, and/or, with the Owner's written consent, any Occupant of the Restricted Property or any portion thereof may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&S Code §25233 and/or other appropriate statutory authorization(s) then in effect.
10. Termination. Covenantor, any Owner, and/or, with the Owner's written consent, any Occupant of the Restricted Property or any portion thereof, may apply to the Department for a termination of the Restrictions or other term of this Covenant as they apply to all or any portion of the Restricted Property. Such application shall be made in accordance with H&S Code §25234 and/or other appropriate statutory authorization(s) then in effect.
11. Term. Unless ended in accordance with the "termination" paragraph above, by law, or by other valid method, this Covenant shall continue in effect in perpetuity.

**ARTICLE IV**  
**MISCELLANEOUS**

12. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Site, Restricted Property, or any portion thereof to the general public or anyone else for any purpose whatsoever. In addition, nothing in this Covenant shall be deemed to constitute a covenant, encumbrance, or restriction on the use of any property other than the Restricted Property.
13. Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the Parties and are not a part of the Covenant.
14. Code References. All references to Code sections include successor provisions, if any.
15. Department References. All references to the Department include successor agencies/departments or other successor entity.
16. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.
17. Notices. Whenever any person gives or serves any notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid certified, return receipt requested:

To Covenantor: County Sanitation Districts of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601-1400  
Attention: Charles W. Carry, Chief Engineer and General Manager



To Department: Department of Toxic Substances Control  
Region 4, Site Mitigation Cleanup Operations  
5796 Corporate Avenue  
Cypress, CA 90630

7

Any party may change or add to its address or the individual to whose attention a notice is to be sent by giving such written notice in compliance with the provisions of this section.

18. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.

19. Authority to Bind. Each of the undersigned signatories certifies that he or she has the authority to enter into this Covenant on behalf of their respective party and legally bind said party to the terms and conditions of this Covenant.

IN WITNESS WHEREOF, the Parties execute this Covenant.

"COVENANTOR"

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES  
COUNTY

Date: November 25, 1998

By: [Signature]  
Chairperson, Board of Directors

ATTEST:

By: [Signature]  
Secretary

APPROVED AS TO FORM

KNAPP, MARSH, JONES and DORAN

By: [Signature]  
District Counsel

"DEPARTMENT"

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY,  
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Date: 12/23, 1998

By: [Signature]  
Hamid Saebfar, Chief  
Site Mitigation Cleanup Operations  
Southern California Branch A  
Region 4

98 2340917

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

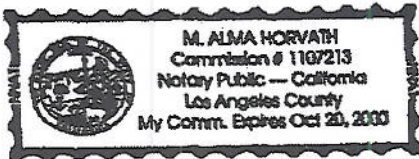
State of CALIFORNIA  
County of LOS ANGELES

} ss. 8

On NOVEMBER 25, 1998 before me, M. ALMA HORVATH, Notary Public  
DATE NAME, TITLE OF OFFICER-E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared LEONIS C. MALBURG AND PATRICIA S. GJERDE  
NAME(S) OF SIGNER(S)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

*M. Alma Horvath*

SIGNATURE OF NOTARY

## OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

### CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL  
☐ CORPORATE

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED  
☐ GENERAL  
☐ ATTORNEY-IN-FACT  
☐ TRUSTEE(S)  
☐ GUARDIAN/CONSERVATOR  
☒ OTHER: Governmental Agency

### DESCRIPTION OF ATTACHED DOCUMENT

2 copies Re: Palos Verdes Landfill  
Covenant to Restrict Use of Property

TITLE OR TYPE OF DOCUMENT

9 (inc. exhibits) + notary acknowledgment pages

NUMBER OF PAGES

Will date when Calif EPA/Dept Toxic Subs Control signs

DATE OF DOCUMENT

### SIGNERS ARE REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

County Sanitation District No. 2  
of Los Angeles County

Hamid Saebfar, Chief, California EPA, DTSC

SIGNER(S) OTHER THAN NAMED ABOVE

98 2340917



FIRST AMERICAN



9

STATE OF CALIFORNIA  
COUNTY OF Los Angeles ss.

On December 23, 1998 before me, Barrie Corenman,  
personally appeared Hamid Saebfar,  
personally known to me

(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



(This area for official notarial seal)

Title of Document Covenant to restrict use of Property  
Date of Document 12-22-98 No. of Pages 9  
Other signatures not acknowledged NO

EXHIBIT "A"

LEGAL DESCRIPTION OF PALOS VERDES LANDFILL

PARCEL 3

That portion of Lot 14 of L.A.C.A. No. 51, in the city of Rolling Hills Estates, county of Los Angeles, state of California, as per map recorded in book 1, page 1 of Assessor's Maps, in the office of the county recorder of said county, within the following described boundaries:

Beginning at the northerly end of that course recited as having a bearing and length of "North 146.76 feet" in the boundary of the land described in Parcel 2 of the deed to the County of Los Angeles, recorded on January 11, 1957, as Instrument No. 1980, in book 53340 page 5 of Official Records, in the office of said recorder; thence along the boundary of the land described in Parcel 2 of said deed as follows: South 146.76 feet; North 44° 41' 12" West 900.00 feet; North 80° 03' 26" West 86.38 feet; South 9° 56' 34" West 281.97 feet; southerly along a curve concave easterly and having a radius of 170.00 feet, a distance of 152.48 feet; South 41° 26' 56" East 68.50 feet; southerly along a curve concave westerly and having a radius of 530.00 feet, a distance of 126.80 feet; South 27° 44' 30" East 137.86 feet; South 31° 27' 15" East 356.16 feet; southerly along a curve concave westerly and having a radius of 230.00 feet, a distance of 125.64 feet; South 0° 09' 23" East 347.08 feet; West 209.85 feet and South 68° 19' 00" West 520.00 feet; thence leaving said boundary North 31° 41' 00" West 593.50 feet; thence North 760.00 feet; thence North 26° 30' 00" West 190.00 feet; thence North 26° 34' 00" East to a point in the southeasterly line of Hawthorne Boulevard, 100 feet wide, as described in Parcel 5-14 of the deed to the City of Rolling Hills Estates, recorded on October 21, 1964, as Instrument No. 3767, in book D 2671 page 885 of said Official Records; thence North 56° 35' 25" East along said southeasterly line to the beginning of a tangent curve therein, concave westerly and having a radius of 1050.00 feet; thence northerly along said southeasterly line, along said last mentioned curve a distance of 400.00 feet; thence southeasterly in a direct line to a point in the northerly prolongation of the course described above as South 146.76 feet, said point being distant North 500.00 feet from the point of beginning; thence along said prolongation South 500.00 feet to the point of beginning. Containing approximately 42.99 acres.



EXHIBIT "A" (CONTINUED)

LEGAL DESCRIPTION OF PALOS VERDES LANDFILL

PARCEL 5

That portion of Lot 14 of L.A.C.A. No. 51, in the city of Rolling Hills Estates, county of Los Angeles, state of California, as per map recorded in book 1, page 1 of Assessor's Maps, in the office of the recorder of said county, described as follows:

Beginning at a point in the southwesterly boundary of said Lot 14, distant thereon North 49° 46' 01" West 180.00 feet from the intersection thereof with the northwesterly line of Crenshaw Boulevard, 80 feet wide, as described in deed to said county, recorded in book 32445, page 154 of Official Records of said county; thence North 40° 13' 59" East 94.75 feet; thence South 49° 46' 01" East 212.18 feet to said Crenshaw Boulevard; thence northeasterly along said Crenshaw Boulevard, being a curve in said northwesterly line which is concave southeasterly and having a radius of 1040.00 feet, a distance of 121.98 feet to the most southerly corner of the land described in Parcel No. 2 of deed to said County of Los Angeles, recorded in book 53340, page 5 of Official Records of said county; thence along the westerly boundary of said land the following courses and distances, North 21° 31' 52" West 134.78 feet, North 31° 01' 20" West 101.70 feet, North 8° 37' 00" West 330.00 feet, North 19° 07' 00" West 290.00 feet and North 13° 49' 00" East 126.00 feet to the most southerly corner of the land described in deed to County Sanitation District No. 2 of Los Angeles County, recorded in book D2747, page 499 of said Official Records; thence along the westerly boundary of said last mentioned land the following courses and distances North 31° 41' 00" West 593.50 feet, north 760.00 feet, North 26° 30' 00" West 190.00 feet and North 26° 34' 00" East 371.09 feet to the southeasterly line of Hawthorne Boulevard, 100 feet wide, as described in deed to said County of Los Angeles, recorded in book D2671, page 885 of said Official Records; thence along said Hawthorne Boulevard South 56° 35' 25" West 621.97 feet to the beginning of a curve in said Boulevard that is concave southeasterly and has a center line radius of 2500 feet; thence southwesterly along said Boulevard to the intersection thereof with the westerly boundary of said Lot 14; thence South 7° 19' 35" East along said westerly boundary, a distance of 1861.74 feet to an angle point therein; thence South 49° 46' 01" East 657.66 feet to the point of beginning.

12

EXHIBIT "A" (CONTINUED)

LEGAL DESCRIPTION OF PALOS VERDES LANDFILL

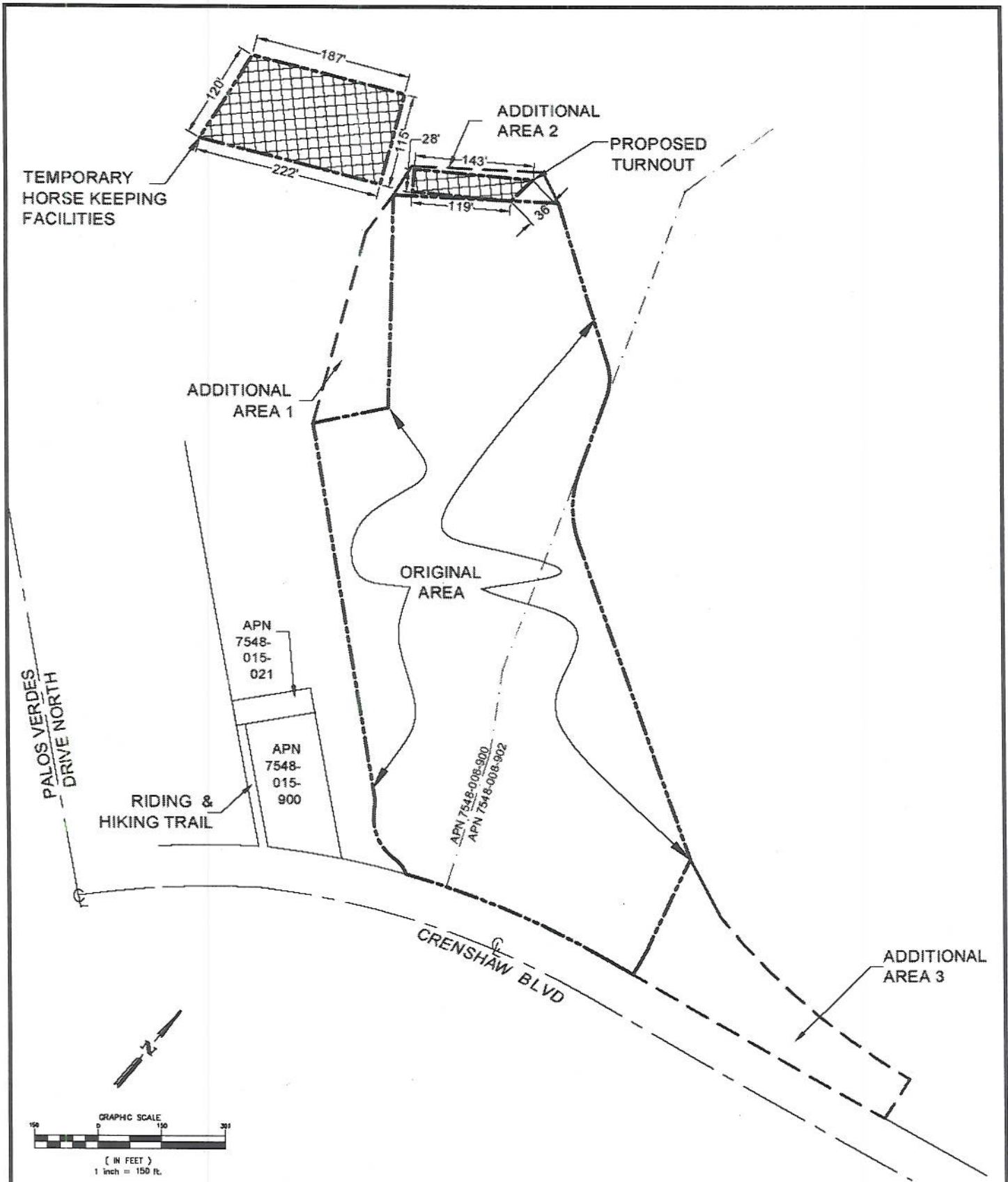
PARCEL 6

That portion of Lot 14 of L.A.C.A. No. 51, in the city of Rolling Hills Estates, county of Los Angeles, state of California, as per Map recorded in book 1, page 1 of Assessor's Maps, in the office of the Recorder of said County, described as follows:

Beginning at the intersection of the northeasterly boundary of said Lot 14 with the northwesterly line of Crenshaw Boulevard, eighty feet wide, as described in deed to said county recorded as Document No. 4195 on November 9, 1954, in book 46064, page 327 of Official Records of said County; thence South  $49^{\circ} 54' 55''$  West along said northwesterly line a distance of 601.65 feet to the most easterly corner of the land described as Parcel 2 in a deed to said county recorded as Document No. 1980 on January 11, 1957, in book 53340, page 5 of said Official Records; thence North  $44^{\circ} 42' 25''$  West along the northeasterly boundary of said Parcel 2 a distance of 1822.60 feet to a point in the most easterly boundary of the land described in a deed to County Sanitation District No. 2 recorded as Document No. 1205 on December 30, 1964, in book D-2747, page 499 of said Official Records; thence North 500.00 feet along said most easterly boundary and North  $35^{\circ} 44' 15''$  West along the northeasterly boundary of said last mentioned land a distance of 540.76 feet to the most southerly corner of the land described in a deed to said County Sanitation District No. 2 recorded as Document No. 1207 on December 30, 1964, in book D-2747, page 505 of said Official Records; thence North  $37^{\circ} 15' 00''$  East 166.37 feet to the most easterly corner of said last mentioned land and a point on the northeasterly boundary of said Lot 14; thence South  $44^{\circ} 41' 05''$  East 2783.84 feet to the point of beginning.

EXCEPT the southeasterly 10 feet of said land as conveyed to the county of Los Angeles by deed recorded December 12, 1969, as Instrument No. 2671, in book D-4581, page 104, Official Records.





<b>Title:</b> <b>PROPOSED HORSE KEEPING AREAS</b>	<b>Client:</b> <b>Peter Weber Equestrian Center</b> 26401 Crenshaw Blvd. Rolling Hills Estates, Ca. 90505	<b>Bolton Engineering Corp.</b> 25834 Narbonne Avenue Ste. 210 Lomita, Ca. 90717 (310) 325-5580 FAX(310) 325-5581	<b>Date:</b> July 16, 2012 <b>Drawn:</b> TMN <b>Job:</b> 10385 <b>Sheet:</b> 1 of 1
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